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**Managing for
today's realities,
positioning
for tomorrow's
opportunities.**



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Front Cover: View of Canadian Tire's A.J. Billes Distribution Centre during construction

Locations



	Associate Stores	Gas Bars	Auto Parts Depots	Distribution Centres
Total	418*	192	15	3
British Columbia	39	3	2	
Alberta	24	14	2	1
Saskatchewan	12	3		
Manitoba	13	6	1	
Ontario	193	124	6	2
Quebec	89	38	2	
New Brunswick	15	4	1	
Nova Scotia	19		1	
Prince Edward Island	3			
Newfoundland	11			

* Includes 5 Catalogue Order Stores



British Columbia



Alberta



Saskatchewan



Manitoba



Ontario



Quebec



New Brunswick



Nova Scotia



Prince Edward Island



Newfoundland

Financial Highlights

(Dollars in Thousands except per share amounts)

	1990	1989	Percent Change*
Gross operating revenue	\$3,060,125	\$2,956,842	+3.5
Earnings before income taxes	246,109	254,306	-3.2
Income taxes	101,743	104,690	-2.8
Net earnings	144,366	149,616	-3.5
Cash flow from operating activities	230,761	253,033	-8.8
Dividends paid	34,424	27,190	+26.6
Per Share			
Net earnings	\$1.60	\$1.65	-3.0
Cash flow from operating activities	2.57	2.81	-8.5
Dividends paid	0.38	0.30	+26.7
Shareholders' equity at year-end	11.44	10.23	+11.8

*Percent change calculated from unrounded amounts



Gross Operating Revenue
(billions of dollars)



Earnings before Income Taxes
(millions of dollars)



To Our Owners and Fellow Employees

Associate Dealers did an excellent job of maintaining their sales volumes in a challenging economic environment.

High interest rates and a contracting economy took their toll on consumers in 1990. We are pleased to report that Canadian Tire, nonetheless, fared relatively well under the challenging conditions that prevailed during most of the year.

Associate Dealers did an excellent job during 1990, achieving a sales increase of 1%. Corporate consolidated gross operating revenues for the year ended December 29, 1990 were up 3.5% at \$3.06 billion compared to \$2.96 billion for the prior year. Earnings before income taxes fell 3.2% to \$246.1 million in 1990 compared to \$254.3 million in 1989.

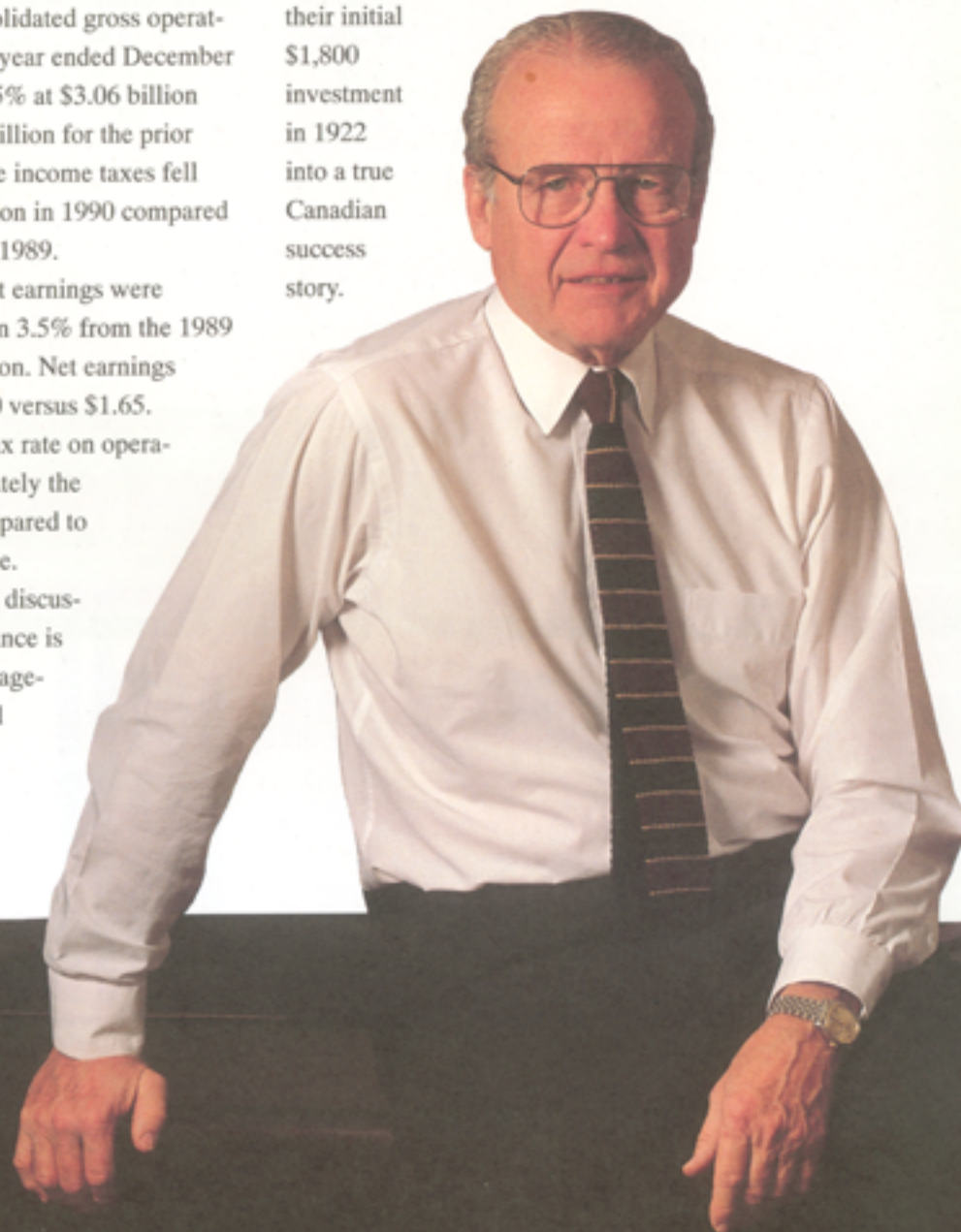
Consolidated net earnings were \$144.4 million, down 3.5% from the 1989 level of \$149.6 million. Net earnings per share were \$1.60 versus \$1.65.

Our corporate tax rate on operations was approximately the same: 41.3% as compared to last year's 41.2% rate.

A more detailed discussion of our performance is provided in the Management Discussion and Analysis of Operations section beginning on page 22.

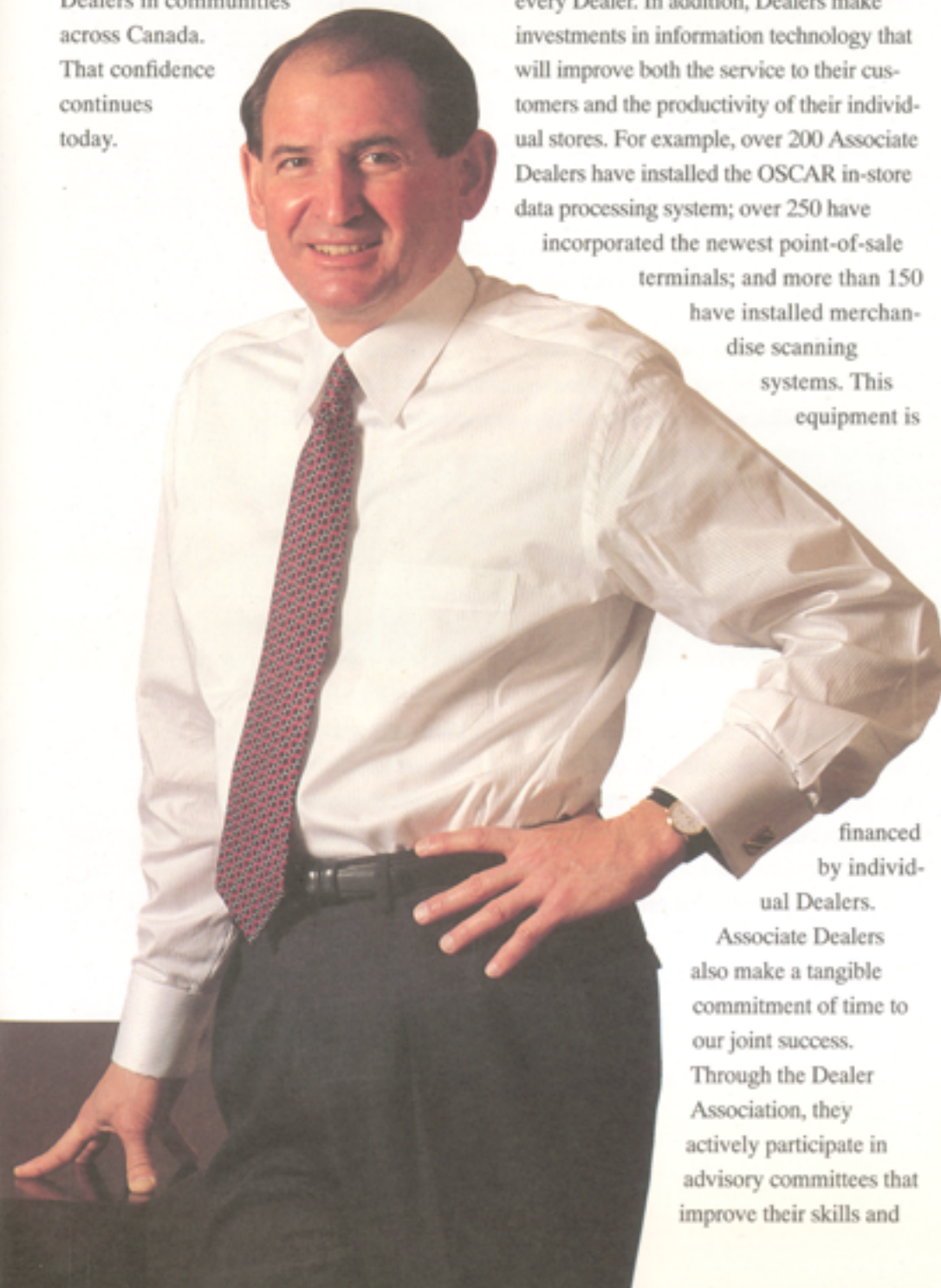
A New Milestone

We were very pleased that Canadian Tire's founders, A.J. Billes and the late J.W. Billes, were inducted into Junior Achievement of Canada's 1990 Canadian Business Hall of Fame. At a black-tie banquet and ceremony, the brothers were honoured for the entrepreneurial ingenuity that transformed their initial \$1,800 investment in 1922 into a true Canadian success story.



In 1990, we achieved another milestone: for the first time in Canadian Tire's history, shareholders' equity exceeded \$1.0 billion. This accomplishment is the sum of innumerable individual efforts that have marked each year of our operation since Canadian Tire was founded by A.J. and J.W. Billes, 69 years ago.

A fundamental tenet of Canadian Tire's business concept has been the confidence placed in the merchandising ability of entrepreneurially minded Associate Dealers in communities across Canada. That confidence continues today.



During 1990, Dealers made outstanding efforts in local marketing, enabling them to maintain their retail sales volume at 1989 levels despite the recessionary environment and unusual weather patterns that affected most of the country.

We believe it is important to note that Associate Dealers make a substantial ongoing commitment not only to the success of their stores, but also to the overall prosperity of the Corporation. Inventory and fixtures represent a major investment of capital for every Dealer. In addition, Dealers make investments in information technology that will improve both the service to their customers and the productivity of their individual stores. For example, over 200 Associate Dealers have installed the OSCAR in-store data processing system; over 250 have incorporated the newest point-of-sale terminals; and more than 150 have installed merchandise scanning systems. This equipment is

financed by individual Dealers.

Associate Dealers also make a tangible commitment of time to our joint success. Through the Dealer Association, they actively participate in advisory committees that improve their skills and

For the first time in Canadian Tire's history, shareholders' equity exceeded \$1.0 billion.

left to right:
Hugh Macaulay,
Chairman of the Board
Dean Groussman,
President and C.E.O.

Our Management Agenda for the Future will identify ways in which we can buy and distribute our merchandise more effectively.

represent their concerns in discussions with the Corporation. These include committees such as Education, Human Relations, Profit Sharing and Service. Our Dealers also provide their perspective on corporate issues and strategies by ongoing participation on corporate committees, including Dealer Selection, Marketing Advisory, Distribution, and Dealer Information Systems. We find that our Dealers' knowledge of their community's retail markets is a key factor in providing Canadian Tire customers with the best offering of quality, value and selection.

Managing for Today's Realities

The long-predicted recession finally took hold in Canada during 1990. Consumers, faced with continuing high interest rates and lower household disposable income, generally reduced discretionary spending on hardgoods.

During the year, Canadian Tire customers proved to be very sensitive to value. Many took advantage of our increased number of promotional items, some shifted to lower-priced goods within merchandise categories, and others postponed discretionary purchases in favour of need-driven products and services such as car and home repair. Dealers responded to the lack of sales growth in the recessionary environment by rigorously managing their inventories. As a result, the Corporation's shipments to Dealers declined 1% in 1990. As customer demand picks up in the latter part of 1991, we believe that more normal levels of Dealer inventories will prevail, giving a boost to Corporate sales.

The crisis in the Middle East resulted in extreme volatility in crude oil prices during the latter half of 1990, a development that affected the cost of petroleum-based products, as well as distribution expenses for all major retailers. Higher average costs for refined product also impacted all gasoline retailers. The Petroleum Division completed a new supply contract with Imperial Oil that will ensure it sufficient refined product to meet our growth targets until the end of the century.

The Corporation reduced its aggressive capital expenditure program by \$50 million in 1990 in order to conserve working capital and reduce the necessity to finance expansion at a cyclical high in interest rates. Further reductions may be necessary in 1991 and 1992 should economic recovery be delayed. Our commitment to long-term growth remains intact, however, and it is important to recognize that Canadian Tire's 1990 capital program totalled \$252.5 million, a 77.7% increase over the \$142.1 million expended in 1989.

Positioning for Tomorrow's Opportunities

The 1990s will leave little room for complacency on the part of Canadian retailers. Increased competition, particularly in major Canadian population centres, may well arise from efficient, warehouse-type retail operations popular in the United States.

There is a message here for all Canadian merchandisers: we must continue to seek improvements in customer service and reductions in the cost of bringing our goods to the final customer. During 1990, Canadian Tire inaugurated an organization-wide project to do just that. Called our "Management Agenda for the Future," the five-year project is directed at achieving meaningful productivity improvements throughout Canadian Tire's operations. The Agenda will identify ways in which we can buy and distribute

our merchandise more efficiently, and will provide support to Dealers in finding ways to deliver products and services more effectively and efficiently to customers. Superior information systems and data management will be a key component of this logistical phase of the Agenda – a phase that we believe will provide very significant cost savings over the life of the project.

Since customers expect a complete shopping experience, that includes far more than just the best price, the Agenda will also ensure that Canadian Tire stores satisfy customer needs. Extensive market research already underway will give us a more precise understanding of individual customer's buying patterns, and enable us to achieve better targeting for our marketing strategy, advertising expenditures and financial services offering.

Car Care U.S.A.

New business initiatives are central to Canadian Tire's competitive strategy.

Car Care U.S.A. will test three state-of-the-art centres in the north-central United States.



Our "Car Care U.S.A." test is a case in point. The U.S. automotive aftermarket is valued at more than \$100 billion annually, and is expected to grow at 4% to 5% each year through to the year 2000. With an increase in the average age of vehicles on the road, a rapidly declining number of available service stations and the sophistication required to repair today's computerized cars, we believe the Car Care U.S.A. concept is an exceptional opportunity for growth. As exceptional as that

growth potential may be, however, we will expand only as actual operating results warrant.

During 1991, Car Care U.S.A. will test three state-of-the-art automotive service and parts retailing centres in the north-central United States. Their locations will be at the centre of a population of 20 million within a 250 mile radius. We have formed a company to handle the venture, and it is now staffed by senior executives with extensive experience in the U.S. automotive aftercare industry.

Outlook

It is unlikely that sustainable economic growth will take place in Canada until the latter part of 1991. Higher unemployment, lower disposable income, and the Goods and Services Tax (GST) may constrain consumer spending generally. While these factors may affect all retailers in Canada, the increased retail space which Canadian Tire built in 1989 and 1990 will help soften their impact.

The specific outlook for each of our operating divisions can be found in the pertinent sections of this Report, and in the Management Discussion and Analysis of Operations section that begins on page 22.

We continue to be confident – but not complacent – about Canadian Tire's future.

Looking beyond the next twelve months, we continue to be confident – but not complacent – about Canadian Tire's future. Should the recovery from the current recession prove to take longer than expected, we will continue to emphasize cost containment in line with margin growth. Capital expenditures may be reduced somewhat, as they were in 1990, but our attention will remain firmly fixed on our expansion targets for 1995.

Although, in 1990, we gave much attention to dealing with the realities of today's economic environment, the long-term view is the heart of Canadian Tire's strategy. We have spent considerable time building a new management structure, developing strategic plans for growth, and positioning the organization to support Associate Dealers in ensuring that customers receive the best combination of quality, selection, service and value. These activities, we believe, will position Canadian Tire to take advantage of its many opportunities for growth, and to deliver the best long-term value to our shareholders.

Board of Directors and Management Changes

At the 1990 Annual General Meeting, H. Earl Joudrie and Bruce R. Wilson were elected to the Board. Mr. Joudrie is Chairman and Chief Executive Officer of American Eagle Petroleum Ltd. Mr. Wilson was formerly President of

Canadian Tire Acceptance Limited, and was with the Corporation for 28 years.

David G. Billes resigned at the Annual General Meeting as a Director of the Corporation after 25 years of service. Steve W. Groch, a Canadian Tire Associate Dealer, also stepped down as a Director after five years on the Board. We thank Mr. Billes and Mr. Groch for their dedicated service and thoughtful advice to the Corporation during their years as Directors.

Peter Ligé, Executive Vice-President, Dealer Relations, left the Corporation to return to his former position as an Associate Dealer. Mr. Ligé had served for 10 years as an Associate Dealer before his most recent appointment. We thank Mr. Ligé for his outstanding contribution to the Corporation.

Canadian Tire's core business unit was recently reorganized. Renamed the Merchandise Business Group in recognition of its central importance to the Corporation, the new structure is a key element in Canadian Tire's positioning for future growth.

The reorganization resulted in a number of senior management appointments. James B.J. Williams was appointed President, Merchandise Business Group and Corporate Executive Vice-President, Dealer Relations. Mr. Williams was formerly Executive Vice-President, Marketing, Real Estate/Construction and Distribution. Rae Cowan became Senior Vice-President, Dealer Operations. Mr. Cowan was formerly Vice-President, Marketing. Howard Board was named Vice-President, Logistics and Administration after previously serving as Vice-President, Information Services.

The Merchandise Business Group also appointed five Divisional Vice-Presidents: Bruce Allen, Automotive; Michael Arnett, Advertising; Laurie Cook, Leisure Products; Alexander Doughty, Marketing Strategic Planning and David Nisbet, Home Products.

Terry Moore was promoted to Vice-President, Corporate Information Services and Chief Information Officer. He was formerly Senior Director, Store Systems.



We have dynamic and dedicated teams in our employees, and in our Associate Dealers and their employees.

1990 proved our skills as managers and retailers. 1991 is likely to continue to be a challenge. We have dynamic and dedicated teams in our employees, and in our Associate Dealers and their employees. Together, we will deal effectively with the realities of our competitive marketplace and ensure that Canadian Tire can make the most of its many opportunities for the future.

On behalf of the Board,

Hugh L. Macaulay
Chairman of the Board

Dean Groussman
President and Chief Executive Officer

March 22, 1991

During a challenging year, our marketing group and Associate Dealers focussed on what they do best: providing excellent value to Canadian Tire customers.

It was a difficult year for Canadian retailers. High interest rates, the slowdown in business activity, and lower disposable income resulted in reduced overall spending by Canadian consumers. Marketing, never-

In 1990, we perceived a change in the buying patterns of Canadian Tire customers. Many shifted to lower priced items within product categories. Our merchandise promotions proved to be very

theless, fared relatively well in this environment. Unusual weather patterns impacted sales, particularly during the first half of the year, but aggressive merchandising by Associate Dealers resulted in store sales above those achieved in 1989. Corporate sales to Dealers were slightly lower in 1990 due to stringent inventory management at Associate Stores. During the year, Marketing:

- Put in place the first phase of its strategy for the future.
- Established a pilot program for a new Home Enhancement category.
- Implemented our Home Improvement Services in a major Ontario market.
- Introduced a new paint boutique merchandising concept.
- Created a stronger advertising program for 1991.
- Established an internal committee to identify and resolve environmental issues affecting Canadian Tire and its customers.

popular, particularly in the second half of the year, with the result that sales from promotions were up significantly relative to primary merchandise lines. By year-end, this trend was evident across the country.

Marketing and Associate Dealers responded throughout 1990 by focussing on what they do best: providing excellent value to customers. Deeper discounts on need-driven products for car repair and home improvement and *Scrooge Approved* pricing were among the initiatives that led to stronger sales in the second half of the year. Cross-promotions with the Petroleum division, such as value-added coupons and special products available to purchasers of gasoline, were also very effective in generating in-store traffic. As a result of these and other programs, Marketing is aggressively increasing its automotive and hardware business when many competitors are constrained by the economic environment. Canadian Tire's *Motomaster* product lines, for example, are continuing to expand their market share.

Marketing is aggressively increasing its automotive and hardware business.

Opposite, left to right:
Bruce Allen,
 Divisional Vice-President,
 Automotive
Laurie Cook,
 Divisional Vice-President,
 Leisure Products
Peter Caven,
 standing,
 Director,
 Home Enhancement
 Development
Jim Williams,
 standing,
 President, Merchandise
 Business Group and
 Corporate Executive
 Vice-President,
 Dealer Relations
Mike Arnett,
 Divisional Vice-President,
 Advertising
Rae Cowan,
 standing,
 Senior Vice-President,
 Dealer Operations
Dave Nisbett,
 Divisional Vice-President,
 Home Products
Alex Doughty,
 Divisional Vice-President,
 Marketing Strategic
 Planning

Marketing Concentrates on Its Strengths in 1990

Merchandise Business Group develops a dynamic strategy to meet the challenges of the '90s.

Canadian Tire is not immune to the competitive pressures facing all retailers in Canada, and it is clear to us that the '90s will leave little room for complacency. During 1990, the Merchandise Business Group embarked on a major business initiative that will enhance the franchise that Associate Dealers currently enjoy with Canadians.

Through a series of steps, including extensive research and interviews with Associate Dealers across the country, we identified opportunities and formulated programs to test the more promising ideas. In the latter stages, we will test and refine these ideas before they are implemented.

In early 1991, for example, Marketing intends to pilot two ideas with selected Associate Dealers: the enhanced automotive service concept mentioned on page 10, and a program known as "Home Enhancement." Home Enhancement will be targeted at the do-it-yourself market and will provide an assortment of products featuring relative ease of installation such as doors, lighting fixtures, and wall and floor coverings.



We are examining many ways to become more responsive to the environmental concerns of Canadians.

Seasonal Centres, a more complete description of which appears in the Real Estate/Construction section of this Report, are generating good sales growth at those 45 Associate Stores where they have been built. We continue to believe that Seasonal Centres enable Canadian Tire to make a very competitive statement on both price and assortment.

New Marketing Initiatives

Auto Centre Plus, the free-standing auto service and parts retailing facility launched in London, Ontario in September, 1989, has proven to be a viable concept. The test project, run by an Associate Dealer, offered particularly encouraging results in automotive service. We intend to refine the concept and introduce more test sites during 1991. We will also pilot a new automotive service strategy with 10 Associate Dealers. This joint venture will enable us to deliver the highest quality of customer service and technical capability to the owners of today's sophisticated automobiles.

Marketing discontinued its involvement in the *Alex* electronic shopping test in Montreal. Experience showed that our customers used the video display terminal in their homes primarily as an electronic catalogue of Canadian Tire products, but still went to Associate Stores to shop. As a result, we did not see a sufficient return on investment to warrant continuing this project.

Our Home Improvement Services program, operated exclusively by Canadian Tire since July, continued to grow in the Ottawa test market. The program, which enables customers to contract directly through Canadian Tire for home repair and renovation work such as roofing, window and entry door installation, will be evaluated for another year.

In 1991, Marketing will aggressively deploy a new paint boutique program with 36 Associate Dealers. The program will create the image of a "specialty store within a store" by using such innovations as computerized tint analysis to deliver better levels of customer service.

Progress on Environmental Issues

Once again, the environment was at the forefront of public awareness in Canada. We established a company-wide Health, Safety and Environment Committee in 1990 to provide a focus for Canadian Tire's efforts in these key areas of concern.

Canadian Tire is examining many ways to become more responsive to the environmental concerns of Canadians. Beginning in 1991, for example, our flyers, catalogues and supplements will



be printed on recyclable paper with vegetable-based inks. In fact, this Annual Report to Shareholders is one of our first efforts in this area, and is completely recyclable.

Effective energy conservation is the sum of many individual efforts. Associate Stores, in concert with major hydro utilities, are helping customers to do their part by carrying a line of energy-efficient lighting options for the home and office. These include halogen bulbs and energy-saving incandescent lamps that produce meaningful reductions in energy consumption.

We are pursuing ways to reduce the potential environmental impact of Canadian Tire products and services. We have implemented a battery recycling test program which we, in conjunction with Associate Dealers, plan to expand across the country by the end of 1991. In conjunction with supplier organizations, we also are investigating recycling options for scrap tires, used motor oil and spent antifreeze. In addition, the Corporation is working with Canadian Tire Dealers and suppliers to find ways of reducing disposable product packaging.

Outlook

We anticipate that the weak economy in Canada will continue to keep consumers' income at lower-than-normal levels in the

first part of 1991. Our outlook is for an improving economy in the latter part of the year with a corresponding increase in sales at Associate Stores.

Competition will continue to be keen as customers look for the best combination of price and value in recessionary times. Canadian Tire is leading the way with refocused advertising for 1991 and an aggressive program of regular and seasonal promotions.

Customer demands for an ever-improving mix of value, quality and service are now a permanent part of the retailing landscape in Canada. New retail concepts will continue to be introduced, particularly in major centres. We believe that very efficient, aggressive U.S. retailers, or those adopting their techniques, will inevitably be a force in Canada. Canadian Tire will be ready to meet this challenge. In addition to the marketing strategy outlined on page 9, we have initiated a comprehensive logistics study that will lead to improvements in every aspect of merchandise and information handling. The study, which is a focal point of the Marketing Division's efforts in 1991 and 1992, holds tremendous potential for reducing operating expenses – the essential component in delivering the value that customers have come to expect from Canadian Tire.

Competition will continue to be keen as customers look for the best combination of price and value.

New Distribution Centre to be Operating on Schedule

The A.J. Billes Distribution Centre will give Canadian Tire over 55% more storage and throughput capacity to handle future sales growth.

The A.J. Billes Distribution Centre is on target with plans for full operation during the third quarter of 1991. Site, building and material handling systems are all within budget.

The Centre is impressive from any point of view. The 1.2 million square foot structure, set on a 100-acre site northwest of Toronto, has the capacity to process 200,000 cartons and 120 trailer loads each day. Its automated storage and retrieval system is among the world's most advanced, and includes 10 fully automated stacker cranes capable of accessing up to a total of 78,000 pallet loads of merchandise. This is materials handling at its ultimate: 15,000

linear feet of pick aisles in four-level rack modules; 12 miles of conveyors; two miles of in-floor tow-lines; 500 carts directed by radio frequency and bar codes; and 70 shipping lanes – all integrated by a proprietary, state-of-the-art computer system that has taken two years to develop.

On completion, the A.J. Billes Distribution Centre, named in honour of the co-founder of Canadian Tire Corporation, will increase the Corporation's storage and throughput capacity by over 55%. These new efficiencies will be key ingredients in serving the sales growth that we anticipate from Canadian Tire's aggressive expansion of retail space and dynamic marketing programs in the '90s.



The A.J. Billes Distribution Centre will feature state-of-the-art automated and integrated material handling systems.

While much of Distribution's attention was focussed on the construction of Canadian Tire's new A.J. Billes Distribution Centre in Brampton, Ontario, the Division actively pursued other initiatives as well. In 1990, the Distribution Division:

- Increased transportation haulback activity from suppliers.
- Introduced a trailer-tracking system in the existing Brampton and Sheppard Avenue Distribution Centres to improve handling of incoming shipments.
- Initiated a pilot test with 10 Associate Stores for the planned 1991 introduction of palletized shipping to improve the material handling efficiency of both Distribution and Associate Stores.

Just as 1990 was a year of building for Distribution, 1991 will be a year of transition. The operations of the Sheppard Avenue Distribution Centre will be transferred to the A.J. Billes Distribution Centre during the third quarter of the year, following a three-month period of phasing in. Once operational, a streamlined management structure and state-of-the-art



automation will reduce the operating expenses of moving products through the new Centre.

The new distribution centre is a fundamental part of Canadian Tire's long-term strategy for growth.

Opposite, left to right:
Ed King, Project Manager, Giffels Associates Limited
Wayne White, Operations Manager, Shipping Receiving
Larry Kidd, centre, General Manager, A.J. Billes & Edmonton Distribution Centres
Don Bell, Operations Manager, Production
Steve Bochsen, Vice-President, Distribution
George Coutts, Maintenance, Manager

The A.J. Billes Distribution Centre will be integral to the evolving corporate logistics study being explored by the Merchandise Business Group. This long-term study will influence the movement of goods throughout the Canadian Tire system, and will involve strategic alliances with vendors and just-in-time distribution concepts – concepts that should mean important reductions in network costs for the Corporation and Associate Dealers. In order to reduce inventory stored by the Corporation and Dealers, the Division will also explore more direct modes of shipping such as direct shipments, cross-docking techniques at distribution centres, and additional regional sourcing of products.

Outlook

The transition from the use of the Sheppard Avenue Distribution Centre to the new A.J. Billes Distribution Centre will take place during mid-1991. While the strategy of the changeover has been carefully planned for some time, the movement of staff and product to the new facility may temporarily put pressure on the Distribution organization. We will operate both distribution centres in parallel for a three-month phase-in period in order to ensure that a high level of service to Dealers is maintained. Overall, we anticipate that significant efficiencies will be achieved after the phase-in period at the A.J. Billes Distribution Centre. The new centre is a fundamental part of Canadian Tire's long-term strategy for growth in the 1990s, and will



put us in an excellent position to serve expanding markets across Canada throughout the 1990s.

Real Estate Builds for the Long Term

The Division fulfilled its objectives by adding nearly 350,000 square feet of net new retail space in 1990.

In the face of a slower Canadian economy and a reduction from planned capital expenditures at Canadian Tire, the Real Estate and Construction Division achieved virtually all of its construction objectives for the year. Their team:

- Completed 38 projects totalling nearly 350,000 square feet of net new retail space, including: seven new stores, five replacement stores, seven major expansions and 19 Seasonal Centre additions.
- Added 120 auto service bays.
- Initiated market plans for adding square footage in major centres across Canada.
- Produced five prototype designs for stores whose modular design streamlines store expansion.

During the year, Real Estate and Construction continued to pursue the acquisition

of attractive properties to support the Corporation's plans for growth, despite the deferral of a portion of its capital budget early in the year. Overall, the recession in Canada has resulted in some savings on the total cost required to create new retail space. If real estate values remain below recent high levels,

the Division's ability to acquire sites that offer the right combination of value and location for our expansion program will improve.

Real Estate embarked on the second phase of its strategic agenda in 1990: the development of geographic market plans for major centres across Canada. The strategic plan analyzes the existing retail space in a municipality, determines the retail coverage required to meet our demographic projections over the next 10 years, and produces an expansion plan to meet the anticipated demand of the community for additional retail square footage in Canadian Tire stores. The perspective of local Associate Dealers is a key component in the analysis, and includes the evaluation of existing Associate Store trade areas, potential locations, and timing for expansion. We anticipate that market plans for 13 cities will be initiated in 1991.

Outlook

The 1991 building program for Real Estate and Construction will be very similar to that achieved in 1990. The Division also plans to build additional Auto Centre Plus facilities that will be similar to the prototype launched in London, Ontario in 1989.

Seasonal Centres deliver an excellent return on investment for Real Estate and Associate Dealers.

Seasonal Centres have proven to be a "shot in the arm" for Associate Dealers suffering from cramped retail space at their stores. Since their introduction, the Centres have evolved from simple garden centres to indoor, climate-controlled spaces averaging 4,000 square feet of retail area. The Seasonal Centre allows an Associate Dealer to display more effectively seasonal merchandise such as Christmas assortments, snowblowers, shovels, garden furniture or peat moss. Customers find the Centres more convenient as well: most are designed with direct access from the parking area, and have their own checkouts.

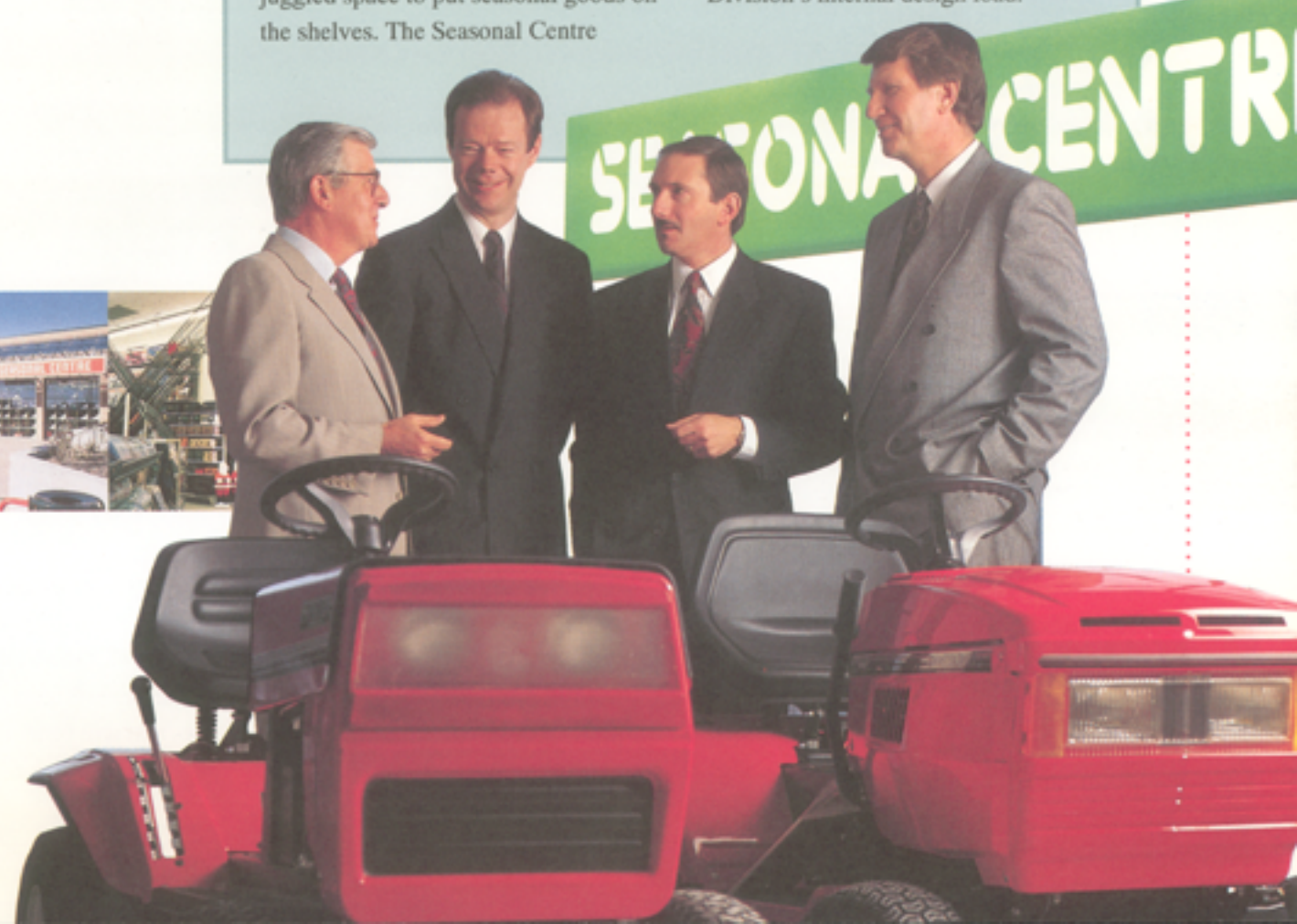
Prior to the development of this concept, customers would see a nearly complete metamorphosis in merchandise at Associate Stores as Dealers juggled space to put seasonal goods on the shelves. The Seasonal Centre

leaves more retail space free in the store to expand the depth and breadth of a Dealer's core merchandise assortment. Experience has shown that this strategy generates additional sales on core products at only modest incremental costs. Land availability is proving not to be a problem. To date, virtually every Seasonal Centre has been built on property already owned by Canadian Tire.

Real Estate has assigned personnel specifically to manage the design and construction of Seasonal Centres; this ensures that proper attention is devoted to the Centre program without distracting from other major projects. In fact, the simplified design and detailing of a typical Centre enables Real Estate to hire design-build contractors to complete the work, thereby reducing the Division's internal design load.

The perspective of local Associate Dealers is a key component of Real Estate's market analyses.

Opposite, left to right:
Robert Bell,
Dealer, Brampton
Bramalea Associate Store
Robert Orr,
Director of
Building Design
Ron Jaskula,
Vice-President,
Real Estate
and Construction
Craig Cumming,
Director of Real Estate



A New Supply Contract for Petroleum

Petroleum increased its operating income in 1990 through stringent cost controls and innovative marketing.

It was a very active year for our Petroleum Division, and one that built on the programs and strengths established in 1989. In 1990, the Division:

- Concluded a new, ten-year supply contract.
- Opened 13 new, company-operated gas bars and rebuilt four others, for a total of 192 gas bars across the country.
- Added six gas bars to the nine previously contracted under the owner-operated program launched late in 1989.
- Purchased four key sites from Imperial Oil under its divestiture program.
- Completed the automation of credit-card processing and bookkeeping for all self-serve gas bars.
- Inaugurated the Petroleum Management College to support and formally recognize the skills of all new and existing gas bar managers.

Creating more value for customers touches every aspect of Canadian Tire's operations. At Petroleum, for example, cross-merchandising promotions with Associate Dealers for popular items have proven to be very encouraging in generating in-store traffic. Special programs will be offered at regular intervals throughout 1991. Similarly, Gas Key, which automatically discounts gasoline prices at our pumps according

to a customer's previous purchases at Canadian Tire, will be rolled out across Ontario in 1991. In western Canada, a modified coupon program also aimed at enhancing our value offering will be tested for its ability to increase our share of those competitive markets.

Volume – profitably pumped – is a key determinant of success in gasoline retailing. Petroleum plans to expand its volume again in 1991 by building additional gas bars and contracting with more owner-operators. We also expect that the productivity gains already achieved through automation of the Division's service stations will further enhance profitability. In the coming year, the Division will test additional programs that will enable it to collect competitive pricing information from local markets, alter pump and sign pricing, and electronically control tank inventories – all from Home Office.

Outlook

The business of the Petroleum Division is affected by factors that influence all competitors in the marketplace. Possible instability in the Persian Gulf, combined with the recession in Canada, make short-term supply and margin forecasts difficult to determine.

The influence of imported crude oil on Canadian retail gasoline products has

a major effect on retail profitability. Competitive uncertainty remains if retailers use price savings on imported product in an attempt to gain market share. Nevertheless, we continue to take

a medium-term view of our future, realizing that in commodity markets such as crude oil, price movements will eventually reflect the true costs of production, distribution and marketing.



During 1991, Petroleum will test a modified coupon program in western Canada.

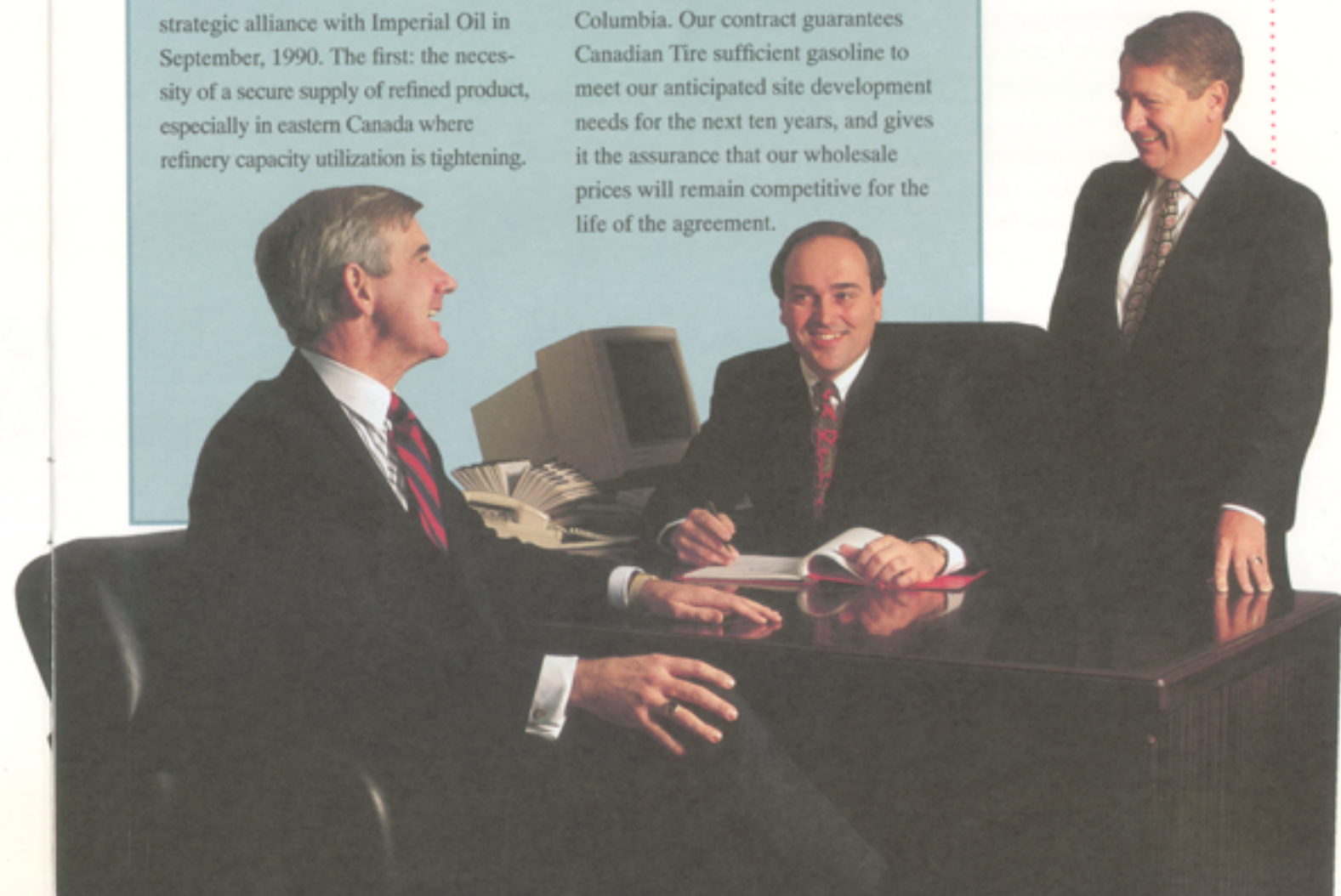
Long-term security of gasoline supply is imperative if Petroleum is to realize its full potential for the Corporation.

Supply planning is a strategic initiative at Canadian Tire Petroleum. It supports our current base of operations, and enables us to expand the business to its full potential. In this sense, two factors influenced our decision to form a strategic alliance with Imperial Oil in September, 1990. The first: the necessity of a secure supply of refined product, especially in eastern Canada where refinery capacity utilization is tightening.

The second: the need for competitive, long-term pricing.

Imperial Oil is the leading refiner and distributor of top-quality petroleum products in Canada, with distribution from Newfoundland to British Columbia. Our contract guarantees Canadian Tire sufficient gasoline to meet our anticipated site development needs for the next ten years, and gives it the assurance that our wholesale prices will remain competitive for the life of the agreement.

Opposite, left to right:
Clive Minto,
Executive
Vice-President,
Diversified Businesses
Jim Ryan,
President,
Canadian Tire Petroleum
W.R. Innes,
President,
Esso Petroleum
Canada





Canadian Tire Acceptance Develops New Business

Acceptance leverages its technology platform and productivity advances in credit card contract with Sunoco Inc.

In 1990 Canadian Tire Acceptance entered into a third-party agreement to manage Sunoco's credit card operation. Under the contract, Acceptance approves new accounts and handles card issuance according to the criteria set out by Sunoco. It processes all credit card transactions – including those paid for with other credit cards – and manages billings, collections, and customer service inquiries. Every aspect of the operation has been customized to Sunoco's requirements. A very smooth conversion of Sunoco's accounts to Acceptance's system took place in November, 1990.

The contract is an excellent arrangement for both Acceptance and its client. Sunoco gains access to Acceptance's sophisticated system while Acceptance enjoys an increase in business from the fee-based arrangement the contract provides. In addition, Sunoco retains ownership of its receivables base so that Acceptance is not required to use its own capital to fund outstanding accounts.

Acceptance is actively pursuing additional opportunities to provide comprehensive credit-card transaction processing for other high-volume issuers.



Acceptance is now Canada's second largest seller of "charge-guard"-type insurance.

Acceptance made significant gains on all fronts in 1990.

Canadian Tire Acceptance (Acceptance) delivered record financial performance during the year. Acceptance's results were driven primarily by new credit card growth and productivity gains in operations. Among the highlights, Acceptance:

- Marketed new Canadian Tire credit card accounts aggressively.
- Achieved additional gains in both credit penetration and credit sales in Associate Stores.
- Installed the first state-of-the-art, credit-management system in Canada.
- Entered into a contract with Sunoco to process its credit card transactions, as detailed on page 18.

Technology enhancements continue to be a primary feature of Acceptance's productivity strategy. During 1990, it installed a new IBM System 88 computer switch with enhanced software. The switch, which substantially increases the processing speed and capacity of Acceptance, is a proven system that can easily accommodate more sophisticated transactions. It will be fully deployed for the Canadian Tire retail network during 1991.

Auto Club enjoyed its best year of growth in net new members. The Club improved its dispatch operations, and

insurance products in 1990. Acceptance is now Canada's second largest seller of "charge guard"-type insurance, a policy which provides for minimum payments on most credit balances for a specified period in the event of illness or unemployment and pays in full upon death. During 1990, claims experience for all types of Acceptance insurance was lower than historical levels.

Outlook

As the recessionary environment in Canada has its impact on sales at Associate Stores and gas bars, Acceptance revenues on credit card transactions and the growth of its receivables base will be reduced. Thus Acceptance revenues will continue to be influenced by the general economic conditions. In addition, the recession has affected Acceptance receivables management by increasing uncollectible accounts resulting primarily from bankruptcies. Acceptance has made appropriate provisions for the risk profile of its portfolio, and adjusts such provisions monthly to reflect the changing composition of the receivables base and its actual bad debt experience. At year-end, Acceptance was within planned levels of loss experience.

Opposite, left to right:
Alison Price,
Control Clerk
Jos Wintermans,
President, Canadian Tire
Acceptance Limited
Gary Maskaluk,
Manager, Supplies
and Services



expanded its fee-based emergency road service to more auto manufacturers.

Acceptance's financial services activities focussed on promoting its successful



Dealer Relations moves into high gear as Canadian Tire undertakes a record number of Associate Dealer changeovers.

Currently, two trends are converging which will provide exceptional opportunities for Canadian Tire and our Associate Dealers: the accelerating pace of retirements by Dealers and the record number of new stores we are building. The result will be an increasing number of what we refer to as "Dealer changeovers" – the transfer of Associate Store ownership from one Dealer to another. Dealer Relations handles the many aspects of these complex changeovers.

For the next 12 to 15 years, Dealer retirements could increase to 15 to 20 each year. As a result, Dealer changeovers during the next five years will be more than double

the average of 33 we experienced in each of the past five years.

Historically, our Associate Dealers have spent up to five years in their first store, and six to eight years in their second; larger stores often were not available until a Dealer had a minimum of 10 years' experience. That time frame is now being compressed, and a top-performing Dealer may well have an opportunity to own a larger, and typically more profitable, store in as little as five years. The accelerated rate of changeovers is positive for the Corporation as well as for Dealers. A fresh view of a local market and new approaches to in-store merchandising frequently result in significant sales increases.



Technology and "Best Practices" Mean an Even Brighter Future for Associate Dealers

Teamwork between Dealers and the Corporation will lead to better productivity and service in Canadian Tire Associate Stores

Dealer Relations was very active in its role as the primary interface between the Corporation and its 380 Associate Dealers. During 1990, Dealer Relations:

- Selected, trained and placed 15 new Associate Dealers out of more than 1,200 applicants.
- Assisted Dealers in the installation of more than 50 in-store data processing systems and over 50 electronic point-of-sale systems.
- Installed more than 150 merchandise scanning systems to speed the processing of merchandise at Associate Store checkouts and receiving docks.
- Reduced the time required to change Dealer ownership of Associate Stores.

As noted earlier in this Report, Canadian Tire's Management Agenda for the Future has identified many major projects that must be completed if the Corporation and Dealers are to meet the challenge of increasingly competitive markets. Some projects, like "Dealer Best Practices," involve a team effort between Dealer Relations and Associate Dealer store operations directly.

Beginning in 1991, Dealer Relations will encourage Associate Dealers to work together to identify those Dealers who deliver the best relative performance based on five key business measures. The "best practices" of the top quartile will be transferred with performance objectives to those in the lowest quartile so that the "average" skill level of the Dealer network is increased. The result? More productive Associate Stores that can compete successfully against the aggressive, low-cost hardgoods retailers of the future.

Low-cost retailing increasingly means "high-tech" retailing. Information systems implemented in 1990 enable Dealer Relations to help Dealers quickly analyze sales opportunities by comparing the sales mix of the target store with other successful Associate Stores around the country. The draft capture, host-positive credit authorization, and product code scanners which Dealers are installing at the point of sale, all improve customer service and reduce the costs of doing business at Associate Stores. We believe that the demand for high perceived value with high perceived service will continue to intensify, and can be delivered profitably only through the use of innovative technology.

Low-cost retailing increasingly means "high-tech" retailing.

Opposite, left to right: Erni Schoenhoeffer, Dealer, Brampton North Associate Store; Peter Ligé, Executive Vice-President, Dealer Relations; Grant Turner, Dealer In Training

Management Discussion and Analysis of Operations

Canadian Tire Corporation fared comparatively well in the difficult economic environment that characterized much of 1990.

Consolidated gross operating revenue for the 52-week period ended December 29, 1990 increased 3.5% to \$3.06 billion versus \$2.96 billion for the comparable 1989 period.

The Corporation's Merchandise Business Group's gross operating revenues decreased slightly from those achieved in 1989. Corporate shipments were down approximately 1% primarily as a result of rigorous inventory management by Associate Dealers. Our Associate Dealers did an excellent job of maintaining sales volumes in the face of lower disposable income and aberrant weather patterns.

Offsetting the decline by our Merchandise Business Group were the healthy gains exhibited by our Diversified Businesses Group's Petroleum Division and Canadian Tire Acceptance.

The high, short-term interest rates that characterized much of the year led to interest and investment income increases of 51.0%. Depreciation expense rose 13.6% in 1990 due primarily to the \$142.1 million in capital expenditures undertaken during 1989. The Corporation spent \$252.5 million for capital programs in 1990. Additional details on these expenditures are presented below.

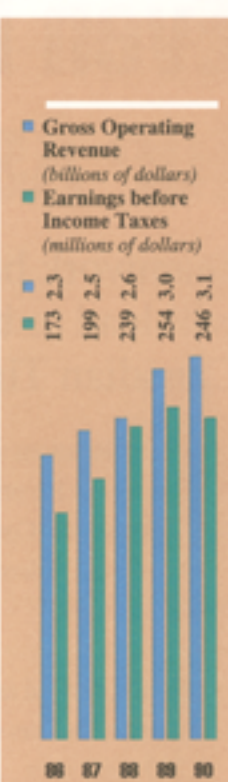
During 1989, the Corporation embarked on an aggressive, five-year capital

expenditure program to position the company for growth in the 1990s. In the past two fiscal years alone, Canadian Tire has spent approximately \$395 million pursuant to this program.

While we expect that our investment will produce significant new store revenues and efficiencies from our new and upgraded distribution centres, these benefits will be gained over time. In the short term, our consolidated results will be adversely affected until our new stores mature and our distribution efficiencies are realized. We expect increased depreciation charges which are highest in the early years of a capital asset's life, as well as increased financing charges on the funds borrowed to support this expansion program. The impact of these charges may make the Corporation's financial statements less meaningful as a measure of operating performance. Therefore, we have chosen to give shareholders another indicator of operating performance by presenting operating earnings before depreciation and applicable financing charges. These earnings were \$280.6 million in 1990 compared to \$287.0 million in 1989.

Earnings before income taxes fell 3.2% to \$246.1 million in 1990 from \$254.3 million in 1989. Our effective tax rate was level at 41.3% versus 41.2% in 1989. As a result, net earnings were \$144.4 million (\$1.60 per share), down 3.5% from the \$149.6 million (\$1.65 per share) earned in the prior year.

Note: The boldface headings in the discussion of consolidated results refer to major accounting items in the consolidated financial statements.



Opposite, left to right:
Colin Smith,
 Director, Corporate Accounting
Douglas Heuman,
 Vice-President, Corporate Controller
Stan Pasternak,
 standing, Vice-President and Treasurer
Gerry Kishner,
 Executive Vice-President, Finance and Administration and C.F.O.
Andy Wnek,
 standing, Assistant Treasurer
Alan Goddard,
 Vice-President, Corporate Affairs

The weighted average number of Class A Non-Voting and Common Shares outstanding at year-end decreased by 0.5% from the number outstanding at year-end 1989. The Corporation re-purchased 2.0 million Class A Non-Voting Shares in 1990 through its normal course issuer bid on the Toronto Stock Exchange and Montreal Exchange. The Corporation's normal course issuer bid is subject to approval each year by the Board of Directors, as well as by the appropriate regulatory authorities.

Our stock repurchase program was initiated in 1988 with the intention of eliminating the earnings dilution that results from the issuance of shares for Corporate and Dealer employee stock purchase and profit sharing programs, as well as stock dividend and dividend reinvestment plans. During 1990, approximately 1.8 million Class A Non-Voting Shares were issued under these plans.

Review of Operations

Merchandise Business Group / Marketing

Gross operating revenues for Marketing, Canadian Tire's largest operating unit, decreased by less than 1% in 1990. This departure from the upward trend of revenues of previous years reflects lower levels of consumer spending due to the recessionary environment across Canada and reduced inventories carried at Associate Stores.

While the Corporation and Associate Dealers worked hard to attract customers with special promotions, discounts on need-driven products for home and car repair, and increased levels of advertising, consumers had less money to spend on discretionary purchases. The effect of the recession was felt strongly, especially in Ontario, one of Canadian Tire's major markets.

Unsettled weather was also a factor in the Division's performance. Since Associate Dealers sell a high proportion of seasonal goods, unusual weather conditions reduced revenues typically derived from the sale of these products.

Overall, shipments to Dealers were lower in 1990 than in 1989 as Dealers reduced inventories in the face of generally lower consumer demand and rising costs.

Operating earnings for Marketing fell by 8.0% in 1990. An 8.6% increase in payroll and fringe benefit costs contributed to the decline, the result primarily of filling staff positions required to achieve our plans for growth. Advertising expenditures, another major component of expenses, increased 4.7% over 1989.

Additional advertising is necessary to protect the Corporation's market share in increasingly competitive markets.



Petroleum's litre sales advanced throughout the year despite stiff competition in major markets.

■ Capital Expenditure (millions of dollars)
■ Depreciation (millions of dollars)



Management believes that responsible expenditures such as these are essential if Canadian Tire is to enhance its competitive position and achieve its long-term strategic plans.

Merchandise Business Group/Real Estate/Construction

Rental revenue increased 6.5% during the year, primarily as a result of additional square footage brought on stream in 1989 and 1990. Operating expenses such as maintenance, depreciation and taxes, however, grew by a total of 14.6%, reflecting the Corporation's aggressive store capital program. As a result, real estate operating income decreased 7.0% on a year-over-year basis.

The Corporation owns or leases most of the land and buildings occupied by Associate Stores, and rents these facilities to Associate Dealers according to a rental formula whose bounds are based on individual Associate Store sales. During 1990, the Corporation reached an agreement with a committee of Associate Dealers to establish an expansion surcharge that reflects the Corporation's enhanced store expansion program. The surcharge, which was retroactive to the beginning of the year, made no contribution to the Corporation's 1990 earnings.

Diversified Businesses Group/Petroleum Division

The Petroleum Division recorded a 21.8% increase in gross operating revenue over 1989. Litre sales advanced throughout the year despite stiff competition in major markets. Increased revenues and operating income were boosted by capital investment in additional gas bars and a new, long-term supply contract with Imperial Oil that became effective January 1, 1990.

Diversified Businesses

Group/Canadian Tire Acceptance

The activities of Canadian Tire Acceptance (Acceptance) resulted in a 21.6% increase in applicable gross operating revenues for 1990. Substantial numbers of new Canadian Tire cardholders, an increase in credit penetration at Associate Stores, and revenue from third-party credit card transaction processing combined to increase Acceptance's revenues for the year.

Operating earnings from Acceptance were up 12.2% on a comparable basis from 1989. While earnings were propelled by ongoing increases in productivity, growth was constrained by interest expense resulting from the high, short-term interest rates that prevailed during most of the year. In addition, Acceptance increased its provision for credit losses due to the effect of the recession on personal and business incomes. Acceptance has made appropriate provisions based on the risk profile of its credit portfolio, and makes monthly adjustments to reflect actual bad debt experience. At year-end, Acceptance was within its planned levels of loss experience.

During 1989 and 1990, Acceptance sold a substantial portion of its consumer credit receivables to the Corporation, with the result that Acceptance's 1990 financial statements in the form published in previous years would not be directly comparable with the results of prior years. In order to provide readers with more meaningful information, we have provided separate information on page 35 (rather than financial statements) that gives a more accurate picture of Acceptance's consumer credit activities.

Profit Sharing

The Corporation provides for employee retirement needs through Profit Sharing Plans. It also supports the Associate Dealers in their profit sharing plans for

Associate Store employees. Experience demonstrates that the Profit Sharing Plans help the Corporation attract, motivate and retain top-quality employees.

Corporate plans are funded annually, and represent a fixed percentage of the Corporation's adjusted net income before tax. Awards to the Corporation's employee plans were \$17.3 million for 1990 compared to \$18.0 million for 1989.

Capital Expenditures

The Corporation's capital expenditure program continued at a record level in 1990. Total expenditures were \$252.5 million, up 77.7% from the \$142.1 million spent in 1989. Management postponed planned capital investment of approximately \$50 million during the year due to high interest rates and the necessity to conserve resources in a difficult economic environment.

Capital funds were allocated primarily to the ongoing construction of the A.J. Billes Distribution Centre, the construction and renovation of stores, and the building of new gas bars. Approximately \$118 million was spent on the new Distribution Centre; this was in addition to the \$41 million expended in 1989. A small percentage of 1990 expenditures was spent on the development of the Car Care U.S.A. project.

During 1991, the Corporation expects to spend approximately \$253 million on capital projects similar to those undertaken in 1990, including \$38 million for the completion of the A.J. Billes Distribution Centre. In addition, C\$30 million has been allocated for the implementation of Car Care U.S.A.

As mentioned in the discussion of consolidated results, Canadian Tire's aggressive expansion program is beginning to result in increased depreciation and interest charges. Management believes that expansion is essential for Canadian Tire to maintain and enhance its competitive position in the marketplace.

The improved efficiency that projects, such as the A.J. Billes Distribution Centre, will eventually deliver is essential to serve our growing network of Associate Dealers and their customers.

Shareholders should be aware, however, that certain expenses, such as depreciation costs, will have to be incurred before they are offset by the full productivity gains of such investment. Management anticipates that depreciation and interest of approximately \$20 million for the A.J. Billes Distribution Centre will be charged against operating income in 1991, and that this may result in lower year-over-year earnings. Management believes that this investment is necessary in order to realize its strategic plans for growth.

Liquidity and Capital Resources

The Corporation's internally generated cash flow was \$230.8 million in 1990, compared to \$253.0 million in 1989.

Internal cash flows were not sufficient to meet Canadian Tire's capital program and receivables funding during 1990. In May 1990, the Corporation successfully placed a \$150 million, 12.10% Debenture issue at a fixed rate of interest, maturing May 10, 2010. Proceeds from the debenture issue were used to reduce the need for short-term borrowings that supported general corporate cash requirements.

Canadian Tire continued to enjoy a strong credit rating throughout 1990: R-1 middle / A-1+ (short-term) and AA-low / A+ (long-term). These ratings allow us flexible access to debt markets at competitive rates of interest. Our commercial paper program provides us with access up to \$600 million in short-term funding.

We anticipate that additional long-term financing will be necessary to fund a portion of the Corporation's planned \$253 million capital program for 1991.

During 1991, the Corporation expects to spend approximately \$253 million on capital projects.

Cash Flow From Operations (millions of dollars)



Canadian Tire's balance sheet continues to be characterized by financial strength.

Long Term Debt to Total Capitalization (percent)

Equity
Debt



Exposure to Currency and Interest Rate Fluctuations

The majority of the Corporation's purchases from suppliers is settled in Canadian dollars, thereby effectively minimizing the risk to the Corporation of currency fluctuations. Foreign exchange forward contracts and options, primarily in U.S. dollars, are used to minimize the risk of currency fluctuations on approximately 8% of all merchandise transactions. At year-end, the Corporation had C\$68.1 million in foreign exchange forward contracts.

Currently, there is limited risk to interest rate fluctuations because all outstanding long-term debt is at fixed rates of interest. The Corporation anticipates that future funding requirements will be satisfied at competitive, fixed rates.

Financial Ratios

Canadian Tire's balance sheet continues to be characterized by financial strength. The addition of \$150 million in long-term debt noted above – making a total of \$300 million in the past two years – has altered the makeup of the balance sheet along with some of its key financial ratios without reducing their high quality.

Canadian Tire continues to enjoy good access to financial markets due to its sound financial position and consequent credit rating. Long-term debt as a percentage of total capital increased to 30.7% from 26.3% in 1989. While interest coverage equalled 7.1 times earnings, compared to 7.5 times earnings in 1989, both factors were impacted by the issue of the 2010 Debentures. Return on capital employed decreased to 19.0% versus 23.2% in 1989.

At year-end, the Corporation held approximately \$157.7 million in cash and short-term investments on a consolidated basis, net of outstanding short-term bank debt as compared to \$158.9 million at the end of 1989.

The book value of Class A Non-Voting and Common Shares was \$11.44 per share at year-end, compared to \$10.23 the previous year, reflecting the increased retained earnings of the Corporation. After-tax return on shareholders' average equity was 14.8% compared to 17.1% last year. Total shareholders' equity increased to \$1.03 billion from \$920.6 million in 1989.

Dividends

Dividends paid to Class A Non-Voting and Common shareholders increased to \$34.4 million from \$27.2 million in 1989, reflecting an annual dividend of \$0.38 per share compared to \$0.30 per share in the same year-earlier period. Since 1987, Canadian Tire has nearly doubled its annual dividend payout from 20 cents per share to the current 38 cents per share.

Outlook

In the foreseeable future, the financial and operating performance of Canadian Tire will be affected by a variety of factors. These factors, most of which impact all retailers in Canada, are detailed in the appropriate context in specific sections of this Report. For example, readers will find our outlook for the Canadian economy as it may impact on Canadian Tire on page 5 of the Letter to Our Owners and Fellow Employees and our view of the competitive environment for the Corporation and Associate Dealers in the discussion of the Merchandise Business Group's Marketing operations on page 8.

Consolidated Statements of Earnings and Retained Earnings

For the years ended
(Dollars in Thousands except per share amounts)

	December 29 1990	December 30 1989
Gross operating revenue	\$ 3,060,125	\$ 2,956,842
Operating expenses		
Cost of merchandise sold and all expenses except for the undernoted items	2,753,368	2,635,715
Interest		
Long-term debt	24,468	21,959
Short-term debt	15,883	17,431
Depreciation and amortization	34,119	30,037
Employee profit sharing plans	17,267	17,976
Total operating expenses	2,845,105	2,723,118
Operating earnings	215,020	233,724
Interest and investment income (Note 8)	31,089	20,582
Earnings before income taxes	246,109	254,306
Income taxes (Note 9)		
Current	95,502	102,530
Deferred	6,241	2,160
Total income taxes	101,743	104,690
Net earnings	\$ 144,366	\$ 149,616
Net earnings per share	\$ 1.60	\$ 1.65
Weighted average number of Class A Non-Voting and Common Shares outstanding	90,325,026	90,762,991
Retained earnings, beginning of year	\$ 640,608	\$ 521,807
Net earnings	144,366	149,616
Dividends	(36,203)	(28,906)
Issue of Class A Non-Voting Shares (Note 6)	(1,220)	(1,909)
Retained earnings, end of year	\$ 747,551	\$ 640,608

Consolidated Statement of Changes in Financial Position

For the years ended
(Dollars in Thousands)

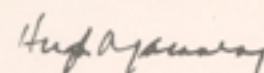
	December 29 1990	December 30 1989
CASH GENERATED FROM (USED FOR):		
Operating activities		
Net earnings	\$144,366	\$149,616
Charges (credits) not affecting cash		
Depreciation and amortization	34,119	30,037
Deferred income taxes	7,333	(3,352)
Amortization of deferred foreign exchange	(198)	(307)
Amortization of long-term debt discount and issue expense	169	193
Gain on disposals of property and equipment	(764)	(1,611)
Cash generated from Operations	185,025	174,576
Changes in other working capital components	45,736	78,457
	230,761	253,033
Investment activities		
Advances to Associate Dealers	3,878	5,030
Disposals of property and equipment	3,818	4,472
Notes receivable	288	1,366
Additions to property and equipment	(252,487)	(142,059)
Charge account receivables	(74,120)	(92,272)
Other investments	(1,666)	781
Mortgages receivable	-	20,500
	(320,289)	(202,182)
Dividends	(34,424)	(27,190)
Financing activities		
Long-term debt issued	150,000	150,000
Repayment of long-term debt	(23,480)	(23,029)
Class A Non-Voting Share transactions (Note 6)	(1,970)	(24,821)
Long-term debt issue expense	(1,839)	(1,191)
Short-term promissory notes	-	(126,800)
	122,711	(25,841)
Cash used in the year	(1,241)	(2,180)
Cash position, beginning of the year	158,928	161,108
Cash position, end of year	\$157,687	\$158,928

Consolidated Balance Sheet

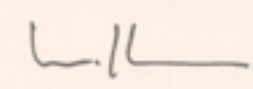
(Dollars in Thousands)

	December 29 1990	December 30 1989
ASSETS		
Current assets		
Cash and short-term investments	\$157,687	\$158,928
Accounts and loans receivable	190,804	167,123
Charge account receivables	526,334	452,213
Merchandise inventories	262,281	316,072
Prepaid expenses and deposits	11,605	12,481
Total current assets	1,148,711	1,106,817
Long-term receivables and investments (Note 2)	9,533	15,535
Property and equipment (Note 3)	821,723	606,409
Other assets (Note 4)	4,951	1,581
Total assets	\$1,984,918	\$1,730,342
LIABILITIES		
Current liabilities		
Accounts payable	\$280,850	\$295,953
Income taxes payable	16,899	2,479
Dividends payable	8,979	7,201
Accrued liabilities and coupons outstanding	181,978	168,623
Loans payable to directors and shareholders	987	1,371
Current portion of long-term debt	33,188	19,710
Total current liabilities	522,881	495,337
Long-term debt (Note 5)	421,123	308,080
Deferred income taxes	13,657	6,325
Total liabilities	957,661	809,742
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	278,982	279,733
Accumulated foreign currency translation adjustment	724	259
Retained earnings	747,551	640,608
Total shareholders' equity	1,027,257	920,600
Total liabilities and shareholders' equity	\$1,984,918	\$1,730,342

Approved by the Board:



Hugh L. Macaulay, Director



William S. Deluce, Director

Notes to Consolidated Financial Statements

1. Significant Accounting Policies

Basis of consolidation

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

Accounting period

The financial year of the Corporation consists of a fifty-two or fifty-three week period ending on the Saturday closest to December 31. The financial year of certain subsidiaries ends on December 31.

Merchandise inventories

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

Property and equipment

Property and equipment are stated at cost. The cost of real estate includes all direct costs, financing costs on specific and general corporate debt, and certain pre-development costs. Depreciation is provided for using the declining balance method commencing in the month that the equipment or facilities are placed into service. Amortization of leasehold improvements is provided for on a straight-line basis over the terms of the respective leases. Purchased computer software is amortized on a straight-line basis over a period of three years.

Debt discount and issue expense

Debt discount and issue expense is amortized over the term of the respective debt issues.

New venture – start-up costs

The Corporation capitalizes both direct and indirect costs with respect to ventures which are in the development stage. Capitalization of costs continues until formal operations have commenced, at which time the deferred costs are amortized over a three-year period. Should a venture be abandoned

during the development stage, all capitalized costs will be immediately expensed.

Revenue recognition

The Corporation's shipments of merchandise to Associate Dealers (retail store owner-operators) are recorded as sales when delivered.

Translation of foreign currencies

The components of the consolidated statement of earnings are translated to Canadian dollars using average currency exchange rates in effect during the period and assets and liabilities are translated at the exchange rates in effect at the end of the accounting period. Cash generated from or used for operations is translated at the average exchange rates for the period and for investment and financing activities is translated at the exchange rates in effect when the transaction took place. Gains and losses on translation are included in net earnings, except for the exchange gains or losses related to the Unsecured Notes and investments in self-sustaining foreign operation. Translation gains or losses on the Unsecured Notes are deferred and amortized over the remaining terms of the respective Notes. Translation adjustments on the self-sustaining foreign operations are included in a separate component of shareholders' equity.

Charge account receivables

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

Discounts on charge account receivables are taken into revenue at the time the new receivables are recorded. Service charges are accrued each month on balances outstanding at each account's billing date.

2. Long-term Receivables and Investments

(Dollars in Thousands)	1990	1989
Advances to Associate Dealers		
– less amounts due within one year – at cost	\$5,060	\$ 8,938
Notes receivable	2,997	3,285
Mortgages receivable	473	2,473
Other investments	1,003	839
Total	\$9,533	\$15,535

Notes receivable

During the period from 1981 through 1987, interest-free loans were provided to certain senior executives for the purchase of Class A Non-Voting Shares

from the Corporation. These loans are to be repaid over a maximum period of 10 years from the date of the loan. The purchased shares are pledged as security for the loans.

3. Property and Equipment

(Dollars in Thousands)

	1990	1989	Depreciation/ Amortization Rate/Term
Land	\$ 185,303	\$149,939	
Buildings	652,838	552,804	4% – 10%
Fixtures and Equipment	250,705	140,731	10% – 33%
Leasehold Improvements	29,981	30,021	Term of lease
	1,118,827	873,495	
Less accumulated depreciation and amortization	297,104	267,086	
Total	\$ 821,723	\$606,409	

During 1990 the Corporation capitalized approximately \$20,987,000 of interest (1989 – \$513,000) for property and equipment under construction.

4. Other Assets

(Dollars in Thousands)

	1990	1989
Long-term debt issue expense	\$3,401	\$1,731
New venture – start-up costs	1,791	206
Deferred foreign exchange	(241)	(440)
Assets held for disposal	–	84
Total	\$4,951	\$1,581

5. Long-term Debt

(Dollars in Thousands)

	1990	1989
Mortgages and obligations under capital leases	\$ 2,920	\$ 2,940
Unsecured debt		
Sinking Fund Debentures		
9.00% Series A, maturing June 1, 1991	–	7,300
9.75% Series B, maturing July 15, 1994	10,489	11,935
11.25% Series C, maturing August 15, 1995	14,706	17,029
10.50% Series D, maturing August 15, 1997	22,000	24,000
Total – Sinking Fund Debentures	47,195	60,264
Unsecured Notes		
Series 2 Notes \$11,000,000 U.S., due December 31, 1992	13,508	13,508
Series 3 Sinking Fund Notes \$3,150,000 U.S., due December 31, 1990	–	3,868
Term promissory notes at rates from 9.40% to 12.50% maturing at various dates to 1995	57,500	77,500
10.40% Series 1 Debentures, maturing January 14, 2000 (Series 1 Debentures)	150,000	150,000
12.10% Debentures, maturing May 10, 2010 (2010 Debentures)	150,000	–
Total – net of current portion	\$ 421,123	\$ 308,080

Notes to Consolidated Financial Statements

5. Long-term Debt cont'd Sinking Fund Debentures

The Sinking Fund Debentures are redeemable, in whole or in part, at any time, at various premium

(Dollars in Thousands)

Series	Annual Principal Amount	Redemption Period
A	\$ 500	1991
B	\$1,500	1991-1994
C	\$1,200	1991-1995
D	\$2,000	1991-1997

In addition to the mandatory sinking fund requirements, the Corporation has an annual, non-cumulative right to make optional sinking fund payments sufficient to retire up to \$250,000 of principal of Series A Debentures and up to \$300,000 of principal of Series C Debentures.

On October 26, 1988, the holders of Series A, B, C, and D Sinking Fund Debentures approved amendments to the Trust Indenture which became effective November 1, 1988. The amendments removed certain restrictive covenants and included an increase of $\frac{1}{2}$ of 1% in the annual interest rates payable, as well as certain increases in the premium payable on the early redemption of debentures.

Unsecured Notes

The Unsecured Notes bear interest at 16.25% and are not redeemable prior to maturity, except in certain circumstances not in the ordinary course of business.

Series 1 Debentures

The Series 1 Debentures are redeemable, in whole

rates which decline annually. Under the Trust Indenture, sinking funds must be provided to redeem debentures of each series as follows:

or in part, at any time, at greater of par and a formula price based upon interest rates at the time of redemption.

2010 Debentures

The 2010 Debentures are redeemable, in whole or in part, at any time, at greater of par and a formula price based upon interest rates at the time of redemption.

Debt covenants

The Trust Indentures and Note Purchase Agreements impose certain restrictions on the Corporation. To December 29, 1990, all of the conditions had been met.

Repayment requirements

At December 29, 1990, the Corporation had met certain sinking fund requirements of future years. After giving effect to the above advance fundings, annual maturities and mandatory sinking fund requirements in respect of long-term debt for each of the next five years and thereafter are as follows:

	1991	1992	1993	1994	1995	Thereafter	Total
(Dollars in Thousands)							
Sinking Fund Debentures	\$ 9,300	\$ 3,489	\$ 4,406	\$10,700	\$14,600	\$ 14,000	\$ 56,495
Unsecured Notes	3,868	13,508	-	-	-	-	17,376
Term Promissory Notes	20,000	10,000	40,000	-	7,500	-	77,500
Series 1 Debentures	-	-	-	-	-	150,000	150,000
2010 Debentures	-	-	-	-	-	150,000	150,000
Other	20	19	21	24	27	2,829	2,940
Total	\$33,188	\$27,016	\$44,427	\$10,724	\$22,127	\$316,829	\$454,311

6. Share Capital

(Dollars in Thousands)

	1990	1989
Authorized		
3,450,000 Common Shares		
100,000,000 Class A Non-Voting Shares		
Issued		
3,450,000 Common Shares	\$ 178	\$ 178
88,223,527 Class A Non-Voting Shares	318,380	318,380
Less 1,880,172 (1989 - 1,658,259) Class A Non-Voting Shares held as unissued shares, at cost	(39,576)	(38,825)
Total	\$278,982	\$279,733

Conditions of Class A Non-Voting Shares and Common Shares

The holders of Class A Non-Voting Shares are entitled to receive a preferential cumulative dividend at the rate of 1¢ per share per annum. After payment of a dividend on each of the Common Shares at the same rate, the holders of the Class A Non-Voting Shares and the Common Shares are entitled to further dividends declared and paid in each year in equal amounts per share. In the event of liquidation, dissolution or winding-up of the Corporation, the Class A Non-Voting Shares and Common Shares rank equally with each other on a share-for-share basis.

The holders of Class A Non-Voting Shares are entitled to receive notice of, and to attend all meetings of the shareholders, but, except as provided in the Business Corporations Act, 1982 and as hereinafter noted, are not entitled to vote thereat. Holders of Class A Non-Voting Shares, voting separately as a class, are entitled to elect the greater of:

- three directors or
- one-fifth of the total number of the Corporation's directors.

Common Shares can be converted, at any time, into Class A Non-Voting Shares on a share-for-share basis. The authorized number of Common Shares

cannot be increased without the approval of the holders of Class A Non-Voting Shares. Neither the Class A Non-Voting Shares nor the Common Shares can be changed by way of subdivision, consolidation, reclassification, exchange or otherwise unless at the same time the other class of shares is also changed in the same manner and in the same proportion.

Should an offer to purchase Common Shares be made to all or substantially all of the holders of Common Shares (other than an offer to purchase both Class A Non-Voting Shares and Common Shares at the same price and on the same terms and conditions) and should a majority of the Common Shares then issued and outstanding be tendered and taken up pursuant to such offer, the Class A Non-Voting Shares shall thereupon be entitled to one vote per share at all meetings of shareholders.

The foregoing is a summary of certain of the conditions attached to the Class A Non-Voting Shares of the Corporation and reference should be made to the Corporation's articles for a full statement of such conditions.

Issue and repurchase of Class A Non-Voting Shares

During 1989 and 1990, the following transactions with respect to Class A Non-Voting Shares occurred:

	1990		1989	
	Number	\$	Number	\$
Issued	1,778,087	39,682,811	1,993,680	36,073,074
Repurchased	2,000,000	41,653,562	2,700,000	60,894,437

From December 30, 1990 to March 6, 1991, the Corporation issued 707,517 Class A Non-Voting Shares for an aggregate amount of \$14,461,728.

Although all shares purchased by the Corporation pursuant to a normal course issuer bid are restored to the status of authorized and unissued, for accounting purposes shares so

purchased are considered to be held in treasury and thereafter reissued. During 1990, the excess of the cost amount of the shares considered to have been reissued over the issue price thereof totalled \$1,220,000 (1989 - \$1,909,000) and was charged against retained earnings.

Notes to Consolidated Financial Statements

7. Stock Options

The Corporation has granted options to certain employees for the purchase of Class A Non-Voting Shares, with vesting occurring on a graduated basis over a number of years. These options

were granted at prices between \$15.793 and \$24.413, and expire between June 1998 and December 2000.

Stock option transactions during 1989 and 1990 were as follows:

Number of shares	1990	1989
Outstanding at beginning of year	1,261,000	-
Granted	125,700	1,344,000
Exercised	(26,000)	(4,750)
Terminated	(21,050)	(78,250)
Outstanding at end of year	1,339,650	1,261,000

Since 1988 the Corporation has followed a no dilution policy. As a result, the exercise of stock options is not expected to dilute earnings

per share and accordingly fully diluted earnings per share are not presented.

8. Interest and Investment Income

(Dollars in Thousands)

	1990	1989
Short-term investments	\$26,374	\$17,011
Advances to Associate Dealers	2,437	2,806
Mortgages	203	50
Other	2,075	715
Total	\$31,089	\$20,582

9. Income Taxes

(Dollars in Thousands)

	1990	1989
Income taxes based on a combined Canadian federal and provincial income tax rate of 43.96% (1989 - 44.0%)	\$108,177	\$111,983
Adjustments to income taxes resulting from:		
Non-taxable dividends	(569)	(791)
Lower income tax rate on earnings of foreign subsidiaries and utilization of income tax losses carried forward	(6,109)	(6,708)
Other	244	206
Total	\$101,743	\$104,690

The Corporation has significant income tax losses available for utilization in the United States. These losses expire in the years 1997 to 2001 and

the associated future benefits have not been reflected in these consolidated financial statements.

10. Operating Leases

The Corporation is committed to minimum annual rentals (exclusive of taxes, insurance, and other occupancy charges) for equipment and properties under leases with termination dates extending to 2034. Under sublease arrangements the majority of these properties are income-producing. The minimum annual rental payments required in each of the next five years and thereafter are listed on the right:

(Dollars in Thousands)

1991	\$ 16,032
1992	14,944
1993	15,201
1994	15,812
1995	14,744
1996 to 2034	127,856
Total	\$204,589

11. Related Party Transactions

Transactions with directors

In 1990, two (1989 - three) members of the Corporation's Board of Directors were Canadian Tire Associate Dealers. During 1989 and 1990 the aggregate billings to those Dealers totalled less than 2% of the Corporation's gross operating revenue. All transactions with these Dealers and

other Dealers were in accordance with established corporate policy applicable to all Dealers.

Loans payable to directors and shareholders

The Corporation has loans payable to directors and shareholders which bear interest at rates which approximate those which would be payable by the Corporation on borrowings in the commercial paper market.

12. Commitments

As at December 29, 1990, the Corporation had commitments of \$13,261,000 (1989 - \$27,300,000) for the acquisition of property and equipment and the expansion of retail store facilities.

Also, the Corporation has spent \$159,000,000 and expects to spend an additional amount of approximately \$38,000,000 with respect to the completion of a new distribution centre.

13. Segmented Information

The Corporation operates in two industry segments, Merchandising and related operations and

Credit operations. The following highlights key financial data for these segments:

(Dollars in Thousands)	Merchandising		Credit		Consolidated	
	1990	1989	1990	1989	1990	1989
Gross operating revenue	\$2,911,050	\$2,834,288	\$149,075	\$122,554	\$3,060,125	\$2,956,842
Net earnings	\$125,173	\$133,345	\$19,193	\$16,271	\$144,366	\$149,616
Capital expenditures	\$246,637	\$139,619	\$5,850	\$2,440	\$252,487	\$142,059
Depreciation and amortization	\$33,144	\$29,509	\$975	\$528	\$34,119	\$30,037

In addition, the following details key balance sheet and earnings statement statistics for the Credit operations:

(Dollars in Thousands)	1990	1989
Charge account receivables	\$542,519	\$464,112
Less: allowance for credit losses	16,185	11,899
Net charge account receivables	\$526,334	\$452,213
Total allowance as a percentage of charge account receivables	3.0%	2.6%
Property and equipment	\$ 8,271	\$ 3,424
Interest expense	\$31,848	\$27,927
Net provision/expense for credit losses	\$31,190	\$17,487

14. Comparative Figures

Certain of the prior year's figures presented for

comparison have been reclassified to conform to the current years' presentation.

Management's Responsibilities for Financial Statements

The management of Canadian Tire Corporation, Limited is responsible for the integrity of the accompanying consolidated financial statements and all other information in the annual report. The financial statements have been prepared by management in accordance with generally accepted accounting principles, which recognize the necessity of relying on some best estimates and informed judgements. All financial information in the annual report is consistent with the consolidated financial statements.

To discharge its responsibilities for financial reporting and safeguarding of assets, management depends on the Corporation's systems of internal accounting control. These systems are designed to provide reasonable assurance that the financial records are reliable and form a proper basis for the timely and accurate preparation of financial statements. Management meets the objectives of internal accounting control on a cost-effective basis through: the prudent selection and training of personnel; adoption and communication of appropriate policies; and employment of an internal audit program.

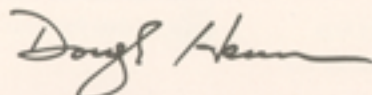
The Board of Directors discharges its responsibilities for the financial statements primarily

through the activities of its Audit Committee composed solely of directors who are neither officers nor employees of the Corporation. This Committee meets with management and the Corporation's independent auditors, Deloitte & Touche, to review the financial statements and recommend approval by the Board of Directors. The Audit Committee also meets with the auditors, without the presence of management, to discuss the results of their audit, their opinion on internal accounting controls and the quality of financial reporting.

The financial statements have been audited by Deloitte & Touche, whose appointment was ratified by shareholder vote at the annual shareholders' meeting. Their report is presented below.



Dean Groussman
President and Chief Executive Officer



Douglas H. Heuman
Vice-President, Corporate Controller

Auditors' Report

To the Shareholders,
Canadian Tire Corporation, Limited;

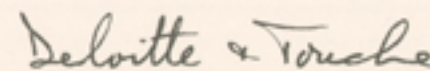
We have audited the consolidated balance sheets of Canadian Tire Corporation, Limited as at December 29, 1990 and December 30, 1989 and the consolidated statements of earnings and retained earnings and changes in financial position for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in

the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 29, 1990 and December 30, 1989 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

Toronto, Ontario,
March 6, 1991.



Chartered Accountants



Eleven-year Review of Performance

(Dollars in Thousands except per share amounts)

	1990	1989	1988	1987	1986*	1985	1984	1983	1982	1981	1980*
Consolidated Statement of Earnings											
Gross operating revenue	\$3,060,125	2,956,842	2,640,709	2,457,597	2,326,002	2,077,742	1,877,707	1,701,585	1,601,661	1,340,764	1,057,536
Operating earnings before depreciation and applicable financing charges	280,563	286,980	263,403	233,962	206,073	187,306	165,784	154,287	146,783	121,953	95,620
Earnings before income taxes	246,109	254,306	238,740	199,432	172,637	162,339	142,480	137,759	123,872	100,432	72,240
Income taxes	101,743	104,690	108,939	101,087	84,792	68,491	59,477	60,756	57,381	48,966	34,513
Earnings from operations	144,366	149,616	129,801	98,345	87,845	93,848	83,003	77,003	66,491	51,466	37,727
Discontinued operations	-	-	(4,928)	481	-	(53,018)	(54,999)	(29,203)	(9,824)	-	-
Earnings before extraordinary items	144,366	149,616	124,873	98,826	87,845	40,830	28,004	47,800	56,667	51,466	37,727
Extraordinary items	-	-	862	-	1,437	(142,492)	668	1,595	1,973	2,212	901
Net earnings (loss)	144,366	149,616	125,735	98,826	89,282	(101,662)	28,672	49,395	58,640	53,678	38,628
Cash flow from operating activities	230,761	253,033	158,127	141,565	66,274	159,418	101,843	2,044	(12,940)	50,031	93,423
Dividends paid	34,424	27,190	20,967	17,884	17,385	16,845	16,178	14,857	12,581	9,936	8,487
Earnings retained and reinvested	109,942	122,426	104,768	80,942	71,897	(118,507)	12,494	34,538	46,059	43,742	30,141
Capital Expenditures	252,487	142,059	93,873	89,160	42,777	39,445	40,245	64,760	69,122	46,783	41,098
Consolidated Balance Sheet											
Current assets	\$1,148,711	1,106,817	1,011,234	955,454	896,926	828,844	651,624	604,326	543,366	500,086	435,183
Long-term receivables, investments and other assets	14,484	17,116	20,986	23,874	20,054	22,850	188,402	160,416	116,510	44,156	46,364
Property and equipment	821,723	606,409	499,249	435,421	379,247	364,468	351,699	337,416	318,557	287,961	266,854
Total assets	1,984,918	1,730,342	1,531,469	1,414,749	1,296,227	1,216,162	1,191,725	1,102,158	978,433	832,203	748,401
Current liabilities	522,881	495,337	516,449	502,500	452,790	499,007	383,271	334,524	343,535	303,409	279,451
Long-term debt	421,123	308,080	180,790	185,678	235,295	215,831	215,181	206,760	181,141	137,641	136,387
Deferred income taxes	13,657	6,325	9,677	2,235	2,769	-	4,794	6,758	6,443	4,281	3,599
Shareholders' equity	1,027,257	920,600	824,553	724,336	605,373	501,324	588,479	554,116	447,314	386,872	328,964
Consolidated Per Share											
Earnings from operations	\$ 1.60	1.65	1.42	1.10	1.01	1.12	1.03	1.03	.92	.74	.56
Earnings before extraordinary items	1.60	1.65	1.37	1.10	1.01	.49	.35	.64	.78	.74	.56
Net earnings (loss)	1.60	1.65	1.38	1.10	1.03	(1.21)	.35	.66	.81	.77	.57
Cash flow from operating activities	2.57	2.81	1.74	1.58	0.76	1.90	1.26	0.03	(0.18)	3.58	7.60
Dividends paid	.38	.30	.24	.20	.20	.20	.20	.20	.17	.14	.13
Shareholders' equity	11.44	10.23	9.09	7.99	6.88	5.88	7.20	6.96	6.13	5.46	4.82
Credit Operations											
Gross operating revenue	149,075	122,554	102,034	92,211	134,205	67,339	57,687	51,768	47,640	39,524	29,899
Net earnings (loss)	19,193	16,271	15,912	12,803	11,008	9,103	7,722	6,122	3,359	1,107	(294)
Net charge account receivables	526,334	452,213	359,941	314,003	292,402	259,124	211,824	190,597	162,553	151,826	128,907
Statistics at Year-end											
Number of Associate Stores	418	414	408	404	401	396	384	375	365	348	333
Number of gasoline stations	192	173	146	132	118	115	109	99	91	84	71
Number of Class A Non-Voting shareholders	11,795	11,540	12,927	13,985	13,851	15,891	12,465	8,937	8,339	8,075	8,665
Number of Common shareholders	721	726	718	745	842	1,192	1,201	965	1,139	1,168	1,252

*53-week year

Directors



left to right:

William S. Deluce ◊
Chairman, Audit Committee, President and Chief Executive Officer, Air Ontario Inc., a scheduled and charter airline

Anthony F. Griffiths ◊
Associate of Fairfax Financial Holdings Limited, a financial holding company

Hugh L. Macaulay *†
Director and Chairman of the Board of the Corporation

Dean Groussman **
Director, President and Chief Executive Officer of the Corporation



left to right:

Martha G. Billes *◊†
President of Albikin Management Inc., an investment holding company

H. Earl Joudrie ◊†
Chairman and C.E.O. of American Eagle Petroleum Ltd., an oil and gas exploration and development company

Harry W. Macdonell, Q.C. †
Partner, McCarthy Tétrault, a Canadian law firm

Arn E. Westlake ◊
Retired Canadian Tire Associate Dealer



left to right:

Kenneth W. Mann *
President of K.W. Mann Limited, which operates a Canadian Tire Associate Store

Bruce R. Wilson †*
Former President of Canadian Tire Acceptance Limited

Maureen J. Sabia ◊*
Chairman, Social Responsibility Committee, President of Maureen Sabia International Limited, a consulting company

Donald C. Lowe **
Deputy Chairman, Bombardier Inc., a transportation equipment manufacturing company



left to right:

Ronald Y. Oberlander †
Chairman, Management Resources & Compensation Committee, President and Chief Operating Officer, Abitibi-Price Inc., a producer of newsprint and uncoated groundwood papers and a converter and distributor of papers and other forest products

C. Edward Medland ◊†
Corporate Director

Pierre Côté *
Chairman, Executive Committee, Chairman, Celanese Canada Inc., a diversified manufacturer of fibres, fabrics, chemicals and industrial products

Alfred W. Billes *†◊
Retired Canadian Tire Associate Dealer

Canadian Tire Corporation, Limited Officers

Hugh L. Macaulay
Chairman of the Board

Dean Groussman
President and Chief Executive Officer

Gerald S. Kishner
Executive Vice-President, Finance and Administration and Chief Financial Officer

Clive Minto
Executive Vice-President, Diversified Businesses

James B.J. Williams
President, Merchandise Business Group and Corporate Executive Vice-President, Dealer Relations

Rae Cowan
Senior Vice-President, Dealer Operations

Howard Board
Vice-President, Logistics and Administration

Steven J. Bochen
Vice-President, Distribution

Ted W. Chivers
Vice-President, Corporate Human Resources

Alan B. Goddard
Vice-President, Corporate Affairs

Douglas H. Heuman
Vice-President, Corporate Controller

Ronald J. Jaskula
Vice-President, Real Estate and Construction

Terry Moore
Vice-President, Corporate Information Services and Chief Information Officer

Stanley W. Pasternak
Vice-President and Treasurer

James F. Ryan
President, Petroleum Division

Robert Law, Q.C.
Secretary and General Counsel

Andrew T. Wnek
Assistant Treasurer

Canadian Tire Acceptance, Limited Directors

Dean Groussman
President and Chief Executive Officer, Canadian Tire Corporation, Limited

Robert Law, Q.C.
Secretary and General Counsel, Canadian Tire Corporation, Limited

Hugh L. Macaulay
Chairman of the Board, Canadian Tire Corporation, Limited

Clive Minto
Executive Vice-President, Diversified Businesses, Canadian Tire Corporation, Limited

Jos Wintermans
President

Officers

Jos Wintermans
President

G. Kawaguchi
Vice-President, Marketing and Business Development

Robert Law, Q.C.
Secretary

A.J. Neale
Vice-President, Information Services

Stanley W. Pasternak
Treasurer

Corporate Information

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Fax 416 484-8872

Stock Exchange Listings and
Symbols
Toronto and Montreal
CTLA
Class A Non-Voting
Shares
CTR
Common Shares

Registrar and Transfer Agent
Montreal Trust Company
of Canada

Solicitors
Cassels, Brock & Blackwell

Auditors
Deloitte & Touche

Bankers
Canadian Imperial Bank
of Commerce
Royal Bank of Canada
The Toronto-Dominion Bank

Corporate Investor
Information:
Contact
Alan B. Goddard
Vice-President,
Corporate Affairs
(416) 480-3000

- Executive Committee
- ◊ Audit Committee
- † Management Resources and Compensation Committee
- * Social Responsibility Committee