



THE BOYD GROUP INC.

ANNUAL REPORT

2000



- Owned Locations
- Licensed Locations

Company Profile

The Boyd Group Inc.¹ owns and operates automotive collision repair centres in Canada and the United States. The Company continues to achieve rapid growth through an acquisition-based growth strategy within the highly fragmented \$40 billion North American collision repair industry.

In early 1998, The Boyd Group went public after acquiring the assets and collision repair business of a limited partnership formed in and operated since 1990 by current President and CEO Terry Smith. The Company

was the first, and remains the only publicly

traded collision repair company in North America.

The Company is committed to being a leader in the consolidation of the North American collision repair industry, and representing the pre-eminent chain of upscale, retail-oriented collision repair shops in its chosen markets. The Company's strategies to achieve these goals include: growth through acquisition and integration of market-leading collision repair businesses; creation of a brand respected as the best in collision repair for quality and customer service; and

further development of innovative and mutually rewarding strategic relationships with insurance, fleet and lease customers as well as with supply trading partners.

Boyd currently operates 60 company-owned locations in Western Canada and eight U.S. states. In addition, the Company licenses seven third-party owned locations in British Columbia under its trade names.

The Class A (Subordinate Restricted Voting) shares² of the Company are listed on the Toronto Stock Exchange and trade under the symbol BYD.A.

March 2001

1. Also referred to as "The Boyd Group", "Boyd", or the "Company" within this report. Pre-1998 historical references to "Boyd" or the "Company" within this report include references to the business under its predecessor limited partnership structure.

2. Also referred to as "Class A shares" within this report.

THE BOYD GROUP INC.

ANNUAL REPORT 2000

2000 Highlights

- Continued expansion by completing eight acquisitions in Nevada, Oklahoma, Washington, Arizona, Illinois and Indiana – collectively comprising 12 locations and \$42.6 million in annualized sales
- Renewed credit facility increasing available credit to \$40.0 million to finance further growth
- Integrated and implemented Standard Operating Procedures and the Boyd Quality System
- Achieved North America's first International Organization for Standardization (ISO) 9002 Multi-Site Registration in automotive collision repair
- Developed and initiated implementation of a common branding strategy to achieve the benefits of a common name while, at the same time, preserving the historical goodwill associated with the names of acquired businesses
- Converted an additional 11 facilities to the Company's common management system
- Entered into innovative e-business alliances with Carstation.com and bodyshopmall.com
- Chosen by Vancouver, British Columbia consumers as the winner of the prestigious Consumers' Choice Award for Business Excellence in the Car Body Shop category
- Placed 1st in the automotive category in a Television Bureau of Canada national advertising competition, finishing ahead of General Motors and Shell Oil
- Increased sales by 78% with an earnings increase of 73%
- Increased earnings per share by 80% to \$0.171 in 2000 from \$0.095 in 1999

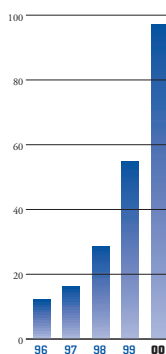
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The Boyd Group will continue to focus on building a strong and profitable business that provides exceptional service to its customers, challenging and rewarding employment for its employees, and long-term financial returns for its shareholders.

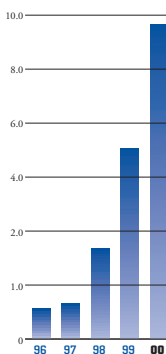
REVENUE

(in \$ millions)

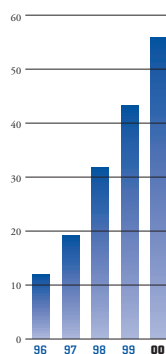


EBITDA

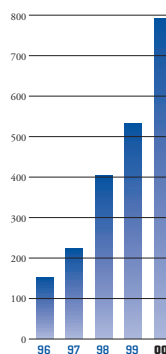
(in \$ millions)



NUMBER OF LOCATIONS

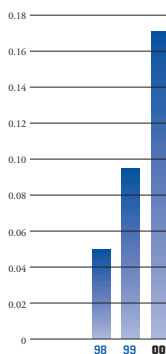


NUMBER OF EMPLOYEES



EARNINGS PER SHARE

(in \$ since year of public listing)



Message to Shareholders



“We’ve defined our culture as having four cornerstones. They are: value creation for shareholders; a focus on our customers; respect for our people; and a commitment to innovation and continuous improvement.”

An Interview with Terry Smith, President & Chief Executive Officer

Q *Could we start out with a little history and a quick overview of the company?*

A The Boyd Group Inc. owns and operates market leading collision repair facilities in Canada and the United States. The company has grown by over 50% annually since its inception in 1990 and at an annual rate of nearly 100% since 1998 when Boyd became the first and only publicly traded company operating in the \$40 billion collision repair industry. We currently operate 60 locations in four Western Canadian provinces and eight U.S. states and we have an additional seven third-party owned licensed locations. Our annualized sales are approximately \$133 million, with just over 60% being derived from U.S. operations.

Q *Who are your customers?*

A Our customer is any individual who is responsible for or influential in deciding where a damaged vehicle is repaired, and includes individual vehicle owners, insurance companies, insurance agents and brokers, fleet and lease companies and car dealerships. Individual vehicle owners and insurance companies would be the most significant source of our business. However, the business derived from the other sources mentioned is not insignificant.

Q *How big is the market you are dealing with?*

A In Canada and the U.S. it is a \$40 billion dollar industry. Globally it is estimated at \$120 billion annually.

Q *Are you one of the largest companies in the industry?*

A Yes, we are one of the largest. There are a handful of private companies in North America; perhaps eight or ten, that like us, are growing through consolidation of the industry. It is estimated that, in the aggregate, all of these companies represent less than 3% of the total North American market.

Q *What are the benefits of consolidation?*

A The benefits of consolidation are many. As an example, we enjoy the benefit of being able to pool advertising and marketing dollars to develop a recognized brand in a given market. To illustrate this benefit, let me tell you about the Winnipeg market where Boyd began, which has a population of approximately 630,000 and where we have ten locations. These locations contribute approximately \$500,000 per year to brand building, marketing and advertising initiatives. Our next largest competitor would spend approximately \$50,000 annually. So, not only do we get more for our dollar because of the volume of our purchasing, but we are also able to sustain a leading position in terms of top-of-mind awareness and market share as a result of spending approximately ten times that of our next largest competitor.

Across all of our markets, we also enjoy the broader benefits of cost savings that result from our buying power, being able to develop strategic relationships with customers because of our multiple locations, being able to attract and retain a higher caliber of employee, as well as being able to have specialists in areas such as insurance company relations, marketing and advertising, quality systems, information technology, etc.

Q *Are they really the same benefits that accrue to large retailers?*

A Very much so...the same benefits that gives retailers like Home Depot and Wal-Mart such a powerful competitive advantage in comparison to the smaller independent operator.

Q *As you look at the industry, do you see consolidation becoming much more important?*

A We really are seeing a trend towards consolidation and over the last couple of years we have seen the trend accelerate and evolve. We believe that in the future we are going to witness a continued consolidation of independent shops as well as a consolidation of consolidators. We expect that perhaps one, two, or three true leaders will emerge.

Q *Do you intend to be a consolidator?*

A Many call us a consolidator, although we see ourselves more as an operator of collision repair businesses that is growing, in part, through acquisition. However, I would say "yes", and I would add that, in terms of opportunity, track record, profitability, financial stability, management capability, etc., we think that we are well positioned to be one of the leaders.

Q *What benchmarks or milestones can investors use to judge your progress?*

A We are today, and have been since the beginning, a goal and result oriented company. We set a goal to become the first publicly traded collision repair company, and we achieved that in February of 1998. Our shares are now listed on the Toronto Stock Exchange, one of the world's top ten equity exchanges. We set a goal of reaching \$100

million in annualized sales by 2000, and at the end of 2000, we reached annualized sales of approximately \$110 million. One of our current objectives is to maintain continued, meaningful growth in our earnings per share. We see this as a fundamental benchmark that investors can use to judge our progress. As a result of our bottom line focus, in 1999 we grew our EPS by 90% over the previous year and in 2000 our EPS grew 80% over 1999. We are working to deliver EPS of \$1.00 in 2004. That will be a significant milestone.

Q *What kind of growth rate do you anticipate over the next several years?*

A Today our annualized sales are just over \$130 million and our objective is to reach \$500 million by the year 2004. So, as you can see, we're targeting for continued aggressive double-digit growth.

Q *What can go wrong? What should investors be worried about in this equation?*

A We spend a great deal of time considering and then addressing the risks facing our company, and we believe that our greatest challenge currently is in successfully integrating acquired businesses. There are opportunities to acquire good facilities and we know through our experience to date that we have the ability to make acquisitions within our pricing model. We also expect to be able to continue to have the capital in place to make acquisitions. So the areas that we are focusing on most are the integration process and post acquisition operations. In order for successful businesses to become successful Boyd operations, they must integrate effectively into Boyd's culture and organization.

Q *Do you intend to keep the management from acquired businesses in place?*

A Yes, and we do so in virtually every case. We look to keep former owners and managers in place and to align their interests with those of Boyd through equity in our company, stock options, earn-out bonuses, long-term management contracts and non-competition agreements.

Q *Do you have the management team in place to accomplish your goals?*

A As we have in the past, we will continue to add to our management team as we grow. However, we really believe that we have the "horsepower" within our team to achieve our objectives. We have a young, energetic, fired-up group that have gelled and have demonstrated their ability to manage profitable growth. So I'd say "yes", a strong "yes".

Q *How would you describe your corporate culture?*

A I would describe our corporate culture as being grounded in "good old fashioned" values. We have a simple "work hard, treat others with respect, do the right thing" type of culture that has served us well. We've defined our culture as having four cornerstones. They are: value creation for our shareholders; a focus on our customers; respect for our people; and a commitment to innovation and continuous improvement.

Q *Is it working?*

A Yes, it is...even with rapid growth and with the challenges of making sure that our culture is supported and understood at all levels. However, I think I need to qualify this statement by saying that we are never



completely satisfied with what we have achieved. We are certainly not the best that we can be, and we are not about to sit back and congratulate ourselves on past success. We have lots of room for improvement.

Q *What should long-term investors focus on when reading your annual report?*

A I think that long-term investors should focus on the fact that we operate in a vast and highly fragmented industry that presents great opportunity; we have a strong financial profile with consistent high double-digit earnings and revenue growth; and we have a track record of setting and achieving aggressive objectives. In addition, we have close to \$25 million of committed, forgivable capital funding to help support the future growth of our company. This helps to put us in the enviable position of having the financial resources to double and triple the size of our business without having to go to the capital markets with a broad based equity offering, and this translates into minimized dilution to our existing shareholders.

Q *Is your stock properly valued at present? If not, what can you do about it?*

A I think that we could make a good argument that our stock should trade at a higher value, that we could reasonably expect a higher price/earnings multiple than we receive today, and that the long term value of our company is not reflected in the current share price. Boyd trades today at about its 1998 value, yet Boyd is a much different and stronger company today than it was then.

We will continue to execute our strategy, grow and manage our business carefully, and

in 2001 we will allocate additional resources towards telling the “Boyd story” and making sure that we are on the radar screens of as many potential investors as possible. We believe that by doing so, the market will recognize the value of our company and that our stockholders will, over time, enjoy significant appreciation in stock price.

Q *How many Boyd shares have you repurchased in 2000? How many shares do you plan to repurchase in 2001?*

A In 2000, we repurchased 58,800 shares at an average price of \$2.21 per share. It is our plan to continue purchasing shares because we believe that they represent significant value at their current price. It is difficult to say how many shares we will repurchase in 2001, as that will depend upon a number of factors.

Q *Is there anything else that we should touch on?*

A I might, just to wrap up, reiterate that we operate in a \$40 billion industry that is ripe for consolidation. Our company has a history of profitability and has a solid financial footing. We have a blue-chip board of directors and a proven management team with a track record of achieving bold goals. We have set an objective of achieving \$500 million in annualized sales and \$1.00 per share in earnings by 2004. Even with the most conservative p/e multiple, achieving, or coming close to achieving these objectives will translate into significant value for the long-term investor.

March 2001

Analysis of 2000 Objectives & Results

2000 Objectives

Continue to enhance shareholder value through meaningful growth in earnings per share

Grow sales at a rate comparable to, or exceeding that achieved in 1999

Continue to pursue acquisitions in Canada and the United States that meet Boyd's exacting business and financial criteria

Strengthen the Company's market position through aggressive advertising, marketing and sales programs, and pro-active brand management

Better utilize technology to satisfy the increasing demands of customers and as a tool for increasing operational efficiencies

Continue to attract, retain and challenge the very best people

2000 Results

Earnings per share were \$0.171 in 2000, compared to \$0.095 in 1999, reflecting earnings per share growth of 80%. *Objective Achieved*

Annualized sales at the end of 2000 increased 67% over the prior year to approximately \$110 million, as compared to an increase of 61% at the end of 1999 over 1998. *Objective Achieved*

In 2000, the Company completed eight high quality acquisitions representing 12 locations and annualized sales of \$42.6 million. Subsequent to the Company's year-end, five new locations have been acquired bringing the total number of locations to 60, and annualized sales to \$133 million, with approximately 60% being derived from U.S. operations. *Objective Achieved*

The Company strengthened its market position through a combination of existing and new initiatives relating to advertising, marketing and sales. In terms of developing focused and effective advertising messages, Boyd was recognized within a group of leading automotive advertisers (which included companies such as General Motors and Shell Oil) for its award winning creativity. The Company also formalized a common branding strategy and began a roll out of that strategy in certain of its markets. *Objective Achieved*

Throughout the year, 11 additional facilities were converted to the Company's common management system platform and one of the Company's Regional Vice-Presidents of Operations was re-assigned to the role of Vice-President Operational Systems, with primary responsibility for training to enhance Boyd's effective utilization of its management systems. In addition, a set of internet based Standard Operating Procedures were developed and implemented during the year. The Company also entered into innovative e-business alliances with Carstation.com and bodyshopmall.com during 2000. *Objective Achieved*

Boyd grew from 533 employees at the end of 1999 to 792 employees at the end of 2000. Quality individuals were added in all areas of the organization as the Company continued to attract and retain key contributors by maintaining an environment where people are recognized for their performance and take pride in their contributions. *Objective Achieved*

Year 2001 Objectives

- Continue to enhance shareholder value through meaningful growth in earnings per share
- Continue to grow sales at meaningful double digit rates
- Pursue industry-leading acquisitions in new markets as well as enhance coverage and increase our share of existing markets by adding additional locations
- Establish and roll out a broad based employee share ownership plan
- Advance the Company's status as employer of choice within the collision repair industry
- Continue to focus on operational excellence and continuous improvement

Report **ON** Operations



“Simply stated, during 2000 the Company continued to focus on the fundamentals of ‘fixing cars right’, ‘making customers happy’ and ‘making money’.”

The Boyd Group’s operating strategies and initiatives during 2000 were once again significantly influenced by the culture and the values of the Company (value creation for shareholders; a focus on our customers; respect for our people; and a commitment to innovation and continuous improvement – see page 11 for a full discussion of The Boyd Group Culture, Values and Mission Statement).

Simply stated, during 2000 the Company continued to focus on the fundamentals of “fixing cars right”, “making customers happy” and “making money”. As the Company grows, it continues to fine-tune and add operational systems aimed at ensuring consistency and adherence to these fundamentals throughout the Company.

ISO Multi-Site Registration – “First in Class”

In December 2000, Boyd achieved North America’s first International Organization for Standardization (ISO)¹ multi-site registration in automotive collision repair when its entire Canadian operations (37 company-owned locations) were granted *ISO 9002 Multi-Site Registration*. The ISO standard provides independent, third-party verification of the effectiveness of the *Boyd Quality System*. This ISO achievement is an extension of an initiative that began more than three years ago when Boyd’s King Edward Street facility, located in Winnipeg, Manitoba, became the first full service automotive collision repair facility in North America to earn ISO registration.

Prior to implementing the Boyd Quality System and the ISO standards across its Canadian operations, the Company integrated and implemented a core set of *Standard Operating Procedures* across its diverse geographic markets. In doing so, however, special attention and recognition was given to regional diversity as well as acquisition integration sensitivities. This important initiative demanded the full-time attention of Roland Borsato, Boyd’s Vice-President, Quality Systems, as well as significant amounts of time and effort by virtually everyone within the Company’s operations management group.

The benefits of these achievements are many. In addition to standardizing procedures to realize greater consistency in repair quality and service, the ISO standard and process also creates a structure for continuous improvement. Embedded within the system are formalized procedures whereby every employee has the right as well as the responsibility to document and present areas where they observe opportunities for process improvement. Equally important, the system formalizes procedures that require every opportunity for improvement be given consideration and a timely response. The Company sees this and the entire quality system discipline as a foundation which will yield meaningful bottom line results through less waste, less re-work, greater efficiency, and higher levels of quality and service.

Because of the magnitude of a multi-site ISO registration undertaking, Boyd elected to focus on its Canadian operations as a first

1. The International Organization for Standardization (ISO) is a worldwide federation of national standards containing specific criteria to be used consistently as rules or guidelines to ensure the reliability and effectiveness of materials, products, processes and services.

phase of company-wide implementation. As U.S. operations also represent more recently acquired businesses (ones acquired in 1999 and 2000), in keeping with the Company's integration strategy, it was deemed desirable to provide time to successfully integrate these new acquisitions before introducing these "industry-first" systems to them. The Company now plans to introduce its quality system to its longest held U.S. locations starting in 2001, with further plans to extend the introduction to more recent acquisitions at later stages of their integration.

Response to the Boyd Quality System and the ISO registration from customers and the insurance industry has been extremely positive.

Continued Focus on Customer Satisfaction

Boyd's number one operating priority and passion continues to be customer satisfaction with *Customer Satisfaction Indices* ("CSI") being a key performance indicator for all of Boyd's operating locations. The Company's location managers as well as all senior management are compensated in part on the basis of CSI performance. High CSI performance also forms part of Boyd's criteria when considering acquisitions and, once acquired, Boyd's CSI systems and processes are introduced to new businesses as part of the overall integration process.

This dedication to measuring and enhancing customer service levels continues to bear results as Boyd continues to achieve above industry average CSI results.



Proliferating Boyd's Successful Culture

Throughout its history, Boyd's success has often been attributed, in part, to its "way of doing business" or its "culture". Former owners of collision repair businesses have said that they have sold their businesses to Boyd because of "the way Boyd does business". Shareholders and financial stakeholders have been rewarded with consistent profitability and a company "that does what it says it will do". These characteristics are all reflective of the Boyd culture...a culture that guides employees in what they say...and in what they





“The Company continues to attract, develop and retain great people. During 2000 Boyd embraced an objective of achieving unquestionable status of Employer of Choice within the collision repair industry.”

do; a culture that represents who and what Boyd is; and a culture that is, and will continue to be, a significant point of difference.

Initially, this corporate culture developed or evolved from the business practices, style, and values of the founder and other senior management. In the early years of the Company, this culture was extended or passed on throughout the organization, not always by clear articulation, but rather through close personal contact with the senior management group, whose personal styles and values emanated this culture.

During 2000, the Company assessed that continued proliferation of its culture in this manner would be increasingly difficult as the Company continued to grow in size. It therefore undertook to clearly articulate and document its culture and values for the purpose of ensuring that everyone within the organization would understand them and be guided by them. Having completed this articulation and documentation, during 2001 the Company will now embark upon a program to broadly communicate its culture to all levels of the organization, as well as undertake a number of additional “culture building” initiatives.

See page 11 for a full discussion of The Boyd Group Culture, Values and Mission Statement.

Common Branding Strategy

Since embarking upon its “growth by acquisition” strategy in 1998, Boyd has recognized that there would be value in tying all of its acquired businesses together through some form or type of common branding. Common branding offers the advantages of national advertising, enhanced internal and external identity, and the opportunity to, over time, build “top of mind awareness” and value into one brand. Boyd’s desire to pursue a strategy of common branding, however, has always given recognition to the value of retaining and preserving the goodwill associated with the names of acquired businesses.

During 2000, the Company undertook to develop a *Common Branding Strategy* that

would achieve its common branding goals (and all of the related benefits), but at the same time preserve the historical goodwill embodied within the names of acquired businesses. In late 2000, this strategy was finalized for implementation beginning in 2001. Implementation will be undertaken one market at a time (focusing first where there is greatest brand fragmentation with existing names) and is expected to take three to five years for full company-wide rollout. This strategy also entails dual branding (using historical names in conjunction with a common name and common design and colors) as a means to “transition” to a common brand in a way that preserves the goodwill of the acquired names.

Insurance Company Relations and Other Strategic Alliances

The Company continues to develop and strengthen its Direct Repair Program (“DRP”)¹ relations with insurance carriers in both Canada and the United States. During 2000, Boyd was successful in extending DRP relationships with national carriers from one market to another. To the Company’s benefit, there appears to be a growing preference for national insurance carriers to develop “single point of contact” arrangements with corporate-run collision repairers with multi-locations.

The Boyd Group also continues to pursue meaningful *Strategic Alliances* with trading partners as a means to enhance operating efficiency and profitability. Adding to its 1999 strategic alliances with BASF

Corporation and Automotive Refinish Technologies, Inc. (which will provide approximately \$25 million in forgivable capital funding to Boyd over the next two to five years), during 2000 the Company entered into a number of other value enhancing, preferred supplier arrangements.

Ongoing Development and Refinement of Management Systems and Other Initiatives

As Boyd’s business grows, it continues to develop and refine many of its management systems.

During 1999, the Company initiated a bottom-up, company-wide *Annual Planning Process* whereby each of its operating locations and regions prepares a detailed annual business plan in addition to its annual financial budget. The objective of this management process is to develop meaningful initiatives and action plans that are created and executed at the shop level and the regional market level. The process was continued in 2000 with some modification and refinement as recommended by location and regional operating management. “Planning the work” and “working the plan” are ingrained management practices at Boyd, whereas this process and discipline is generally absent elsewhere in the collision repair industry.

The Boyd Group persistently pursues improvement through innovation. The Company continues to operate its experimental prototype body shop of tomorrow, code named *EPBOT*, where it trains



1. Referral programs or direct repair programs (DRP's) are established between insurance companies and collision repair shops to better manage automobile repair claims and increase levels of customer satisfaction. The insurance companies select collision repair operators to participate in their program based on integrity, convenience and physical appearance of the facility, quality of work and customer service.



technicians and tests new processes and systems. *Benchmarking and Sharing Best Practices* also continue to be key strategies for maximizing operational performance.

The Company recognizes the value of attracting, developing and retaining great people. Notwithstanding success to date, during 2000 Boyd embraced an objective of achieving unquestionable status of *Employer of Choice* within the collision repair industry and embarked upon a number of action items aimed at this goal. Most notable is the formation of an Employer of Choice Committee, consisting of employees from all levels of the organization. During 2001, using Manitoba as its pilot market, this committee will undertake a number of Employer of Choice initiatives, including employee surveys and company-wide employee satisfaction

index tracking. Another Employer of Choice initiative started in 2000, and slated to be implemented in 2001, is the introduction of a broad-based employee share ownership plan, which will afford all employees the opportunity to purchase Boyd shares on a cost-effective, company assisted basis.

Since 1998, Boyd has integrated into the Company 27 businesses representing 41 operating locations. Improved post-acquisition performance is evidence of its success in this critical area. However, Boyd continues to learn a great deal about how to improve the *Acquisition Integration Process*. Under the direction of Brad Gechel, Vice-President, Corporate & Integration Services, the Company continues to develop and refine its integration process.

Culture, Values & Mission Statement



Our Four Cornerstones

Boyd has defined its culture and values as having four cornerstones. They are:

- Value Creation for Shareholders (“Sh”)
- A Focus on our Customers (“C”)
- Respect for our People (“P”)
- A Commitment to Innovation and Continuous Improvement (“I”)

These cornerstones have been the drivers in the development of the Company’s core values, or the “Boyd Core Values” as follows:

- B**eing the best, being a leader (C, P, I)
- O**bsession for highest standards of quality, customer service and professionalism (C)
- Y**our views and opinions (Sh, C, P)
- D**evelopment of individual staff by providing performance feedback, training and development, high quality supervision, consistency in management practices, responsibility commensurate with capability, accountability, appreciation and positive support for the Company’s goals (P)
- C**oncern, care, respect and fair treatment for the individual, including safety, health and freedom from harassment and discrimination (P)
- O**pen communication and fair process (P)
- R**esponsible corporate citizenship (Sh, C, P)
- E**qual opportunity (P)
- V**alue creation (Sh, P)
- A**ctions consistent with clearly understood mission and goals (Sh, I, P)
- L**eadership, team work, pride and enthusiasm (P)
- U**nconditional adherence to the highest standards of ethics and integrity (Sh, C, P)
- E**arnings to support long-term growth, fiscal prudence, and frugality (Sh, P)
- S**ervice!

...and these cornerstones and Core Values together shape the Mission Statement:

To be a **leader** in the consolidation of the collision repair industry and to represent, through corporate owned and operated locations as well as franchised locations, the pre-eminent chain of upscale retail oriented collision repair shops in any market that it chooses to do business in.

To continue to build and operate a **strong, profitable** business which provides **exceptional service to its customers, challenging and rewarding employment for its employees**, and **long-term financial returns for its owners**.

Boyd’s culture and values perform the following role within the Company:

- they guide us;
- they are reflected in what we say...and in what we do;
- they represent “who we are”; and
- they are, and they will continue to be, a **significant point of difference**.

Management's Discussion & Analysis

The following detailed review of the Company's 2000 operating and financial results, as well as management's expectations for the year ahead should be read in conjunction with the Company's audited financial statements, included on pages 19 to 36 of this report.

RESULTS OF OPERATIONS

Highlights

Highlights of events and corporate initiatives which had, and will continue to have a significant impact on the Company's financial results and financial position include:

- Credit facilities, tailored to the Company's acquisition strategy and arranged with the Toronto Dominion Bank were increased from \$23.5 million to \$40 million in 2000 to support continued growth;
- Continued expansion into the U.S. market, with additional platform acquisitions in the states of Nevada, Arizona, Illinois and Indiana;
- Eight acquisition transactions, collectively comprising 12 locations, as well as the purchase of the remaining 25% of the shares of an existing Manitoba location and the remaining 40% of the shares of an existing British Columbia location, representing approximately \$42.6 million in annualized sales were successfully completed and integrated into the Company's operations;
- Integration and implementation of the Boyd Quality System to achieve North America's first ISO 9002 Multi-Site Registration for the automotive collision repair industry.

These initiatives and achievements collectively contributed significantly to the Company's financial results and condition as illustrated below:

	2000	1999	% change
<i>(\$000, unless indicated)</i>			
Sales	\$ 97,050	\$ 54,640	77.6%
EBITDA ⁽¹⁾	9,728	5,908	64.7%
EBITDA – % Sales	10.0%	10.8%	
Basic Earnings Per Share (\$).....	0.171	0.095	80.0%
Total Assets ⁽²⁾	\$ 67,283	\$ 34,968	93.0%
Long Term Debt ⁽³⁾	30,367	14,455	110.1%
Total Equity ⁽⁴⁾	19,517	12,208	59.9%
Annualized Sales ⁽⁵⁾	110,000	66,000	66.6%

⁽¹⁾ Earnings before interest, income taxes, depreciation and amortization

⁽²⁾ Total assets for 1999 restated to conform to current years presentation

⁽³⁾ Includes convertible debentures – debt component

⁽⁴⁾ Includes convertible debentures – equity component

⁽⁵⁾ Represents approximate annual sales of operating locations in place at the year end, including sales growth in 1999 Exit Operations

Acquisitions

Acquisitions during the year, representing approximately \$42.6 million in annualized sales, had a significant impact on the Company's financial results. These acquisitions are summarized below:

Date	Acquired Business	Location	No. of Locations
January 5	Auto Magic Paint & Body Center	Las Vegas, Nevada	1
February 15	Crafts Paint & Body Shop, Inc.	Broken Arrow, Oklahoma	1
February 21	Pro-Tech Autobody	Henderson, Nevada	2
March 15	Willows CollisionCraft & The Alignment Shoppe	Woodinville, Redmond & Lynnwood, Washington	3
April 17	Kingswood Collision Center	Mesa, Arizona	1
April 17	Mainstreet Collision Center, Inc.	Mesa, Arizona	1
June 1	All-Consolidated Auto Rebuilders, Inc.	Chicago, Illinois	2
November 15	M & S Collision Center, Inc.	Valparaiso, Indiana	1

On December 1, 2000, the Company acquired the remaining 40% of the shares of 469006 BC Ltd., an existing Boyd Autobody & Glass facility located in central Vancouver, British Columbia to increase its ownership to 100%.

On December 31, 2000, the Company also acquired the remaining 25% of the shares of 3364977 Manitoba Inc., an existing Boyd Autobody & Glass facility located in Winnipeg, Manitoba to increase its ownership to 100%.

Consistent with the Company's strategy, the newly acquired operations all shared the common attributes of being profitable market leaders with strong management. In four of the eight new acquisitions, vendors have joined Boyd in management positions and in the balance of the acquisitions, strong existing employee management were retained post-closing. The post purchase financial performance of these acquisitions, in the aggregate, exceeded forecasted expectations. Collectively, annualized sales for these acquired operations increased 1.0% while under the Company's ownership when compared to the level of sales assumed at the time of acquisition. These sales increases, along with other profit enhancing initiatives, also contributed to annualized EBITDA being 15.7% higher than the assumed level of EBITDA of these operations at the time of acquisition.

The Company's strategy contemplates continued growth through acquisition during 2001 resulting in year-over-year financial growth at or near rates achieved in 2000. During 2000, the Company enhanced its presence in the United States, purchasing key platform operations in the states of Nevada, Arizona, Illinois and Indiana. Additional acquisitions in the states of Washington and Oklahoma further enhanced the Company's presence in these markets. At December 31, 2000, the Company's annualized sales from U.S. operations represented approximately 55% of the total annualized sales of \$110 million. The Company expects to continue to acquire platform operations in select markets, as well as expand operations through further acquisitions in those regions where a platform has been established.

Sales

The sales increase of \$42.4 million over the prior year consists of the following components:

		Acquired Sales	Sales Growth
1999 Exit Operations	– (\$000)	\$ 9,233	\$ 1,062
	– (%)	16.9%	1.7%
2000 Acquisitions	– (\$000)	\$ 31,795	\$ 320
	– (%)	58.2%	1.0%

Sales in markets that the Company operated in 1999 and 2000 increased approximately 18.8% in 2000 when compared to 1999. This increase resulted from both the full year impact of 1999 acquisitions as well as same store sales/comparable period sales growth of 1.7% over 1999 for those locations that were owned throughout 2000.

The \$32.1 million of sales realized from 2000 acquisitions included a 1.0% increase in annualized sales while under the Company's ownership as compared to the assumed level of sales at the time of acquisition.

Gross Margin and Operating Expenses

Gross Margin in 2000 of \$43.8 million or 45.2% of sales, compared to \$25.2 million or 46.1% of sales in 1999 reflects increased gross margin dollars resulting from increased sales. Gross profit improvements initiated in 1999 and earlier in the Exit Operations continued to favorably impact 2000. Gross margins increased from 46.7% in 1999 to 47.4% in these operations. Consolidated gross margin percentages were temporarily reduced, being impacted by new acquisitions in the U.S. market during 2000. However, the Company expects to be able to improve such lower margins over time through application of the similar gross profit improvement initiatives in these markets.

Operating Expenses of \$34.1 million, or 35.1% of sales, increased from \$19.3 million or 35.3% of sales in 1999, reflecting an improvement of 0.2% of sales. Contributing to this improvement were lower advertising and fixed facility costs, partially offset by higher salaries, wage and benefit costs principally in the newly acquired operations.

Salaries, wages and benefits increased to 19.2% of sales in 2000 from 17.5% of sales in 1999 due primarily to the impact of higher salary and benefit costs as a percentage of sales in the newly acquired U.S. operations and the impact of adding personnel to support the Company's accelerated growth.

The Company's current operating expense ratio of 35.1% of sales continues to reflect a higher than targeted and achievable consolidated operating expense ratio. This is attributable to a number of factors including, (i) higher operating expense ratios of recent acquisitions which have not yet been impacted by synergies and company initiatives, and (ii) higher corporate infrastructure expenses incurred to support future growth. The Company expects to continue to make year-over-year improvements in its operating expense ratio as locations continue to mature in sales and synergies are achieved in acquired operations over time. However, consolidated operating expense ratios may be temporarily negatively affected by the impact of new acquisitions with higher operating expense ratios.

EBITDA

Earnings before interest, income taxes, depreciation and amortization ("EBITDA") increased to \$9.7 million or 10.0% of sales from \$5.9 million or 10.8% of sales in the prior year, reflecting EBITDA on increased sales, offset principally by lower gross margins in newly acquired operations as noted above.

The continued development of strategic alliances having a direct impact on material and operating costs, combined with a further maturing of locations and other operating expense synergies are expected to result in an improvement in the Company's EBITDA margin in 2001.

Depreciation and Amortization

Depreciation and Amortization expense increased to \$3.3 million or 3.4% of sales during 1999 from \$2.1 million or 3.9 % of sales in the prior year. The increase in absolute dollar terms is attributable to the Company's growth during the year as additional capital assets and goodwill were acquired.

The Company expects, pending no change to the current accounting treatment for goodwill, that its depreciation and amortization charges will continue at, or slightly below, the current percent of sales into the future, as it continues with its acquisition strategy.

Interest Expense

Interest Expense increased to \$2.6 million or 2.7% of sales, from \$1.0 million or 1.8% of sales in 1999. This increase resulted primarily from the increase in bank debt, which was used to fund, in part, the year's acquisitions, as well as reflecting the rise in market rates of interest over the course of 2000, on this higher level of borrowing. The Company began to enter into interest rate swap agreements on a portion of its bank debt that converted to term during 2000 in efforts to hedge its variable interest rate exposure and expects to make further use of such hedging in 2001.

Income Taxes

Income Tax expense for the year decreased to \$1.2 million or 1.2% of sales compared to \$1.3 million or 2.3% of sales in 1999. The decrease in income tax expense is primarily due to the higher proportion of income from U.S. operations subject to lower income tax rates, combined with the positive effect of income tax deductions available to the Company as a result of effective tax planning of U.S. acquisitions.

Net Earnings and Earnings Per Share

Net Earnings for the year increased to \$2.6 million from \$1.5 million in 1999, resulting from higher sales, lower depreciation and amortization costs and income tax expense in relation to sales, partially offset by higher interest costs.

Earnings Per Share for the year ended December 31, 2000 was \$0.171 per share compared to \$0.095 per share in 1999. *Fully Diluted Earnings Per Share*, which is calculated under the assumption that all convertible securities had been converted and stock options had been exercised at the date of issue (where such conversion and exercise would have the effect of reducing earnings per share), was \$0.149 per share for the year ended December 31, 2000 compared to \$0.085 per share in the prior year. The increase in earnings per share and fully diluted earnings per share resulted from growth in net earnings at a rate that significantly exceeded the growth in the number of shares outstanding during 2000.

LIQUIDITY AND CAPITAL RESOURCES

The Company's objective is to ensure, in advance, that it has ample capital resources to allow it to execute its growth plan. It strives to combine an appropriate mix of equity and debt within its capital structure.

Equity

During 2000, the Company raised additional equity through the issuance of Class A shares as follows:

- An additional 1,118,395 Class A shares issued throughout the year, at premiums to market pricing, with a total value of approximately \$5.0 million, as partial consideration paid to vendors for acquisitions;
- The conversion of \$113,000 (face value) of Series I and II convertible debentures throughout the year in exchange for the issuance of an additional 96,050 Class A shares;
- The exercise of stock options during the year resulting in the issuance of 32,100 Class A shares for cash proceeds of \$35,733.

As indicated in last year's annual report, the Company did not anticipate needing, nor did it ultimately require new equity in 2000, beyond the issue of shares to vendors as partial payment for acquisitions.

During 2000, Company management began to perceive that the Company's long-term value was not being adequately reflected in the price of the Class A shares. Accordingly, on September 6, 2000, the Company initiated, through the Toronto Stock Exchange, a Normal Course Issuer Bid in order to repurchase up to 5% of the Company's outstanding shares. As of December 31, 2000, the Company had repurchased 58,800 Class A shares at an average price of \$2.21. The Company expects to continue to repurchase shares over the remaining term of the Normal Course Issuer Bid.

In July 1999, the Company entered into agreements with strategic trading partners that provide, among other things, approximately \$25 million in forgivable capital funding over a period of three to six years, to be used for acquisition or start-up of new repair operations. Subject to certain obligations and performance criteria, which the Company anticipates it will meet, the Company will not be required to repay this funding. The nature of this capital funding provides the Company with another source of available capital, without interest cost or dilution, to support its acquisition strategy. During 2000, the Company received approximately \$4.4 million (\$2.1 million in 1999) in forgivable capital funding which was used to fund in part, 2000 acquisitions.

Other than for the issue of shares to vendors as partial payment for acquisitions, the Company does not anticipate a need for significant amounts of new equity in 2001 to fund its planned acquisitions. The Company will, however, raise capital in advance of requiring the funds where a market opportunity exists and where the objective is to ensure ample capital is available for future growth.

Debt Financing

On July 7, 2000, the Company renewed and increased its credit facilities with the Toronto Dominion Bank. The credit facility was increased from \$23.5 million to \$40 million and which provided the Company with an ongoing ability to pay for a portion of acquisitions using bank debt, thereby stretching its contributed equity and minimizing dilution to shareholders.

The renewed facility includes a \$5 million operating line of credit and a \$35 million revolving term facility to be used for acquisitions and new start-up locations. Availability of funds under both the operating line of credit and the revolving term facility is subject to annual renewal. However, once advanced, borrowings under the revolving term facility are committed, for a total of eight years, subject to repayment requirements and covenant performance. As is normal for financings of this nature, the credit facility is secured by the Company's assets.

At December 31, 2000, the Company had approximately \$25.4 million (\$10.3 million – 1999) of debt outstanding under the revolving term facility and approximately \$4.1 million (\$1.5 million – 1999) outstanding under its operating line of credit.

During 2000, the Company continued to supplement its debt financing by negotiating with vendors, in certain acquisitions, to provide financing to the Company in the form of term notes. The notes payable to vendors are typically at favorable interest rates and for terms of 5-10 years. Although this source of financing partially impacts the total availability of funds under the Toronto Dominion Bank credit facility, it is another means of supporting the Company's growth, at a relatively low cost.

Working Capital

Net working capital (current assets less current liabilities) decreased to approximately \$0.7 million at December 31, 2000 from approximately \$1.5 million at December 31, 1999. The working capital position at December 31, 2000, includes the current portion of the Toronto Dominion Bank credit facility, which has increased to approximately \$3.0 million compared to \$0.8 million at the end of the prior year. The Company expects to complete a renewal of the credit facilities during 2001 that will result in a rescheduling of the repayment of these facilities, thereby reducing or eliminating the current portion due within one year. Negating the temporary effects of the current portion of the debt financing, the Company expects to operate at or above a working capital ratio of 1:1.

Capital Expenditures

Excluding expenditures for acquisitions, the Company spent approximately \$2.3 million (\$1.6 million, net of obligations under capital leases of \$711 thousand) or 2.4% of sales on capital expenditures in 2000, compared to \$1.9 million (\$969 thousand, net of obligations under capital leases of \$939 thousand) or 3.5% of sales in 1999. Of this amount, almost 37% or \$843 thousand was in respect of courtesy car fleet expansion or replacement. Capital expenditures in 2000 also included approximately \$385 thousand spent on conversion of business information systems to the Company's common standard. The Company expects that the level of capital expenditures, as a percentage of sales, will be at, or lower than the 2000 level in the future.

RISKS AND UNCERTAINTIES

The Company is subject to certain risks inherent in the operation of its business, including competition from other businesses, competition from other acquirers of collision repair businesses, increases in operating costs caused by general and location specific economic conditions, labour relations and changes in interest rates, tax rates, foreign currency exchange rates and other operating expenses. The Company manages risk and risk exposures through a combination of insurance, system of internal controls and sound operating practices.

Customers

The autobody industry in Manitoba, Saskatchewan and British Columbia is subject to significant government regulation and participation via the presence of government owned public insurance companies in these markets. In 2000, Boyd derived approximately 33% of its revenue from these markets, compared to 51% in the prior year. As a result of this government participation, the ability of Boyd, or any other collision repair provider, to control the level of payment for services is limited. Any change in the level of government control and participation in the industry could potentially have an adverse affect on the Company. However, if any change were to occur, Boyd believes that it will be in a position which is equivalent or better than most industry participants to deal with, or take advantage of any such change. As the Company continues to expand in other markets, such as the U.S. market, its percentage of sales from these markets has and will continue to diminish, as it did in 2000.

Competition

The collision repair industry in North America is in the very early stages of consolidation. At present, this industry, estimated at approximately \$40 billion, is highly fragmented, consisting primarily of small independent family owned businesses operating in local markets. These industry characteristics have contributed to the beginning of a trend to consolidation, whereby larger multi-location operators are acquiring operators of a single location or of a few locations. To date only a small number of collision repair industry consolidators (approximately 5 to 10), including Boyd, have emerged in North America. No single consolidator within this group is dominant over the others, either in terms of size or geographic coverage and the Company estimates that, as a group, consolidators have approximately 3% market share. All of the other known industry consolidators are currently headquartered and have the majority of their operations in the U.S. The Company anticipates facing increasing competition as it focuses more of its acquisition efforts on the U.S. market.

Given these industry characteristics, existing or new competitors may become significantly larger and present greater financial and marketing resources than Boyd. These competitors may render services in the markets in which Boyd currently operates and seek existing facilities to acquire or new locations to open in markets to which Boyd desires to expand.

Notwithstanding these potential risks of competition, the Company believes that it is currently well positioned to emerge as a leader in a more consolidated state of the industry.

Environmental and Regulatory Risk

The Company believes that it is currently in compliance with all applicable environmental laws and regulations, and it is not aware of any material environmental problems at any of its current or former facilities. No assurance can be given, however, that the prior activities of the Limited Partnership or Boyd, or the activities of a prior owner or lessee, have not created a material environmental problem or that future uses will not result in the imposition of material environmental liability upon Boyd.

The Company mitigates its environmental risk, in part, through (beginning in 1998) conducting environmental assessments on all businesses and property to be acquired or leased. It also secures environmental indemnification from landlords and former owners. In 1999, the Company engaged an environmental consultant to assist it in formalizing its environmental management systems and controls. During 2000, the Company implemented a program of environmental training and a system of regular environmental audits, which ultimately will be conducted at all operating locations.

Weather Conditions

The effect of weather conditions on collision repair volume represents an element of risk to the Company's ability to achieve same store sales growth. As the collision repair market in North America is relatively mature, same store sales growth is derived, for the most part, from market share increases. Historically, extremely mild winters and dry weather conditions, particularly in Canada, have had a negative impact on collision repair sales volumes. Even with market share gains, this type of temporary decline in market size can result in same store sales declines.

The Company strives to mitigate the effect of weather by increasing market share annually (as evidenced by either same store or same market sales increases) through aggressive advertising and exceptional levels of customer service. The Company's increasing geographic diversification resulting from its growth and expansion will also continue to lessen the effect of this risk.

Ongoing Access to Capital

In order to implement its growth plan through 2000 and beyond, the Company will require additional capital for acquisitions. As there can be no assurance that additional capital will be available at all times when required, the Company endeavors through a variety of strategies, to ensure in advance that it has sufficient capital for growth. As noted elsewhere in this discussion and analysis, the Company's strategy has been to raise equity in advance of requiring funds where market opportunity exists. Secondly, the Company has been successful in paying for a portion of its acquisitions with its Class A shares, and it plans to continue to utilize this form of payment when negotiating acquisitions. New sources of capital funding, such as that available through strategic alliances with trading partners and the use of vendor financing, have been negotiated, while other new sources remain to be explored. Finally, through its credit facilities, the Company has arranged for, in advance, debt financing for future acquisitions. Subject to annual renewal and achievement of financial objectives, the Company expects to continue to use these facilities and make new credit facilities available.

Interest Rates

As the Company continues to utilize debt financing to fund growth through acquisitions, it faces increased exposure to fluctuations in interest rates. At December 31, 2000, the majority of the Company's outstanding revolving credit facilities were subject to variable interest rates. During 2000, a portion of the Company's revolving credit facilities were converted into seven-year term loans and the Company entered into interest rate swap agreements to convert \$2.0 million of its term loans from variable to fixed interest rates. The Company will continue to monitor and implement mechanisms to minimize the exposure to interest rate fluctuations.

Foreign Exchange Risk

As the Company has invested in U.S. acquisitions during 2000, it has hedged its foreign exchange risk on financing its U.S. investments in part by making U.S. denominated loans available under its credit facilities that can then be serviced and repaid from its U.S. earnings streams. The Company expects to continue this strategy in 2001 and is confident that sufficient U.S. earnings streams will be generated to meet the future U.S. denominated loan obligations.

OUTLOOK

The Company anticipates continuing favourable results in 2001 and expects to achieve meaningful growth in sales, operating profit and earnings per share.

It will continue to execute an acquisition-based growth strategy targeting market leading collision repair facilities.

In order to achieve the desired rate of growth, the Company is expected to grow in both the U.S. and Canadian markets. The Company will also continue to work on improving same store sales growth, gross margins and EBITDA margins of all operations, including acquisitions.

The Company continues to develop its systems and its infrastructure to support its growth.

The Company is confident in its ability to continue to enhance shareholder value.

FORWARD-LOOKING INFORMATION

This annual report contains forward-looking information, other than historical facts, which reflect the views of the Company's management with respect to future events. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan" or similar words suggesting future outcomes or events. Such forward-looking information reflects the current views of the Company's management on the basis of information currently available.

Although management believes that its expectations are reasonable, readers are cautioned not to place undue reliance on forward-looking information because it is possible that predictions, forecasts, projections and other forms of forward-looking information will not be achieved. By its nature, the forward-looking information contained herein is subject to inherent risks and uncertainties, and assumptions relating to the operations, results of operations, financial position, business prospects and strategies of the Company. The Company can give no assurance that its expectations with respect to forward-looking information will prove to be correct.

The Company assumes no obligation to update, publicly or otherwise, the forward-looking information contained herein or update the reasons why actual results could differ from those contemplated by the forward-looking information, whether as a result of new information, future events or otherwise.

Consolidated Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles generally accepted in Canada. Management is responsible for their integrity, objectivity and reliability and, where necessary, they reflect management's best estimates and judgements. Management is also responsible for the maintenance of financial and operating systems, which include effective controls, to provide reasonable assurance that the Company's assets are safeguarded and that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board exercises these responsibilities through its Audit Committee, all members of which are not involved in the daily activities of the Company. The Audit Committee meets with management and, as necessary, with the independent auditors, Deloitte & Touche LLP, to satisfy itself that management's responsibilities are properly discharged and to review and report to the Board on the consolidated financial statements.

In accordance with Canadian generally accepted auditing standards, the independent auditors conduct an examination each year in order to express a professional opinion on the consolidated financial statements.

Terry Smith
President & Chief Executive Officer

Mike Graham, C.A.
Vice-President & Chief Financial Officer

AUDITORS' REPORT

To the Shareholders of The Boyd Group Inc.

We have audited the consolidated balance sheets of The Boyd Group Inc. as at December 31, 2000 and 1999 and the consolidated statements of retained earnings, earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2000 and 1999 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

*Winnipeg, Manitoba
March 9, 2001*

CONSOLIDATED STATEMENTS OF EARNINGS

Years Ended December 31

	2000	1999
SALES	\$ 97,050,336	\$ 54,640,007
COST OF SALES	53,219,642	29,441,805
GROSS MARGIN	43,830,694	25,198,202
OPERATING EXPENSES	34,102,250	19,289,805
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION	9,728,444	5,908,397
Depreciation and amortization	3,324,772	2,134,327
Interest expense	2,594,708	980,132
Interest income	(9,607)	(5,417)
EARNINGS BEFORE INCOME TAXES	5,909,873	3,109,042
EARNINGS BEFORE INCOME TAXES	3,818,571	2,799,355
INCOME TAXES (Note 14)		
Current	1,001,400	774,006
Future	183,600	478,994
	1,185,000	1,253,000
NET EARNINGS	\$ 2,633,571	\$ 1,546,355
AVERAGE NUMBER OF SHARES OUTSTANDING	12,666,019	11,337,101
BASIC EARNINGS PER SHARE	\$ 0.171	\$ 0.095
FULLY DILUTED EARNINGS PER SHARE	\$ 0.149	\$ 0.085

CONSOLIDATED BALANCE SHEETS

December 31

	2000	1999
ASSETS		
CURRENT		
Accounts receivable	\$ 11,183,811	\$ 6,418,818
Due from C.C. Collision Repair Management Limited Partnership	-	8,977
Income taxes recoverable.....	1,089,508	174,702
Inventory	2,961,238	1,692,799
Prepaid expenses	1,230,335	711,045
	<u>16,464,892</u>	<u>9,006,341</u>
CAPITAL ASSETS (Note 4)	16,094,189	12,608,190
DEFERRED COSTS (Note 5)	501,397	457,014
OTHER ASSETS (Note 6)	34,932,950	12,896,981
	<u>\$ 67,993,428</u>	<u>\$ 34,968,526</u>

	2000	1999
LIABILITIES		
CURRENT		
Bank indebtedness (Note 7)	\$ 3,237,724	\$ 416,977
Accounts payable and accrued liabilities	8,744,748	5,742,342
Due to C.C. Collision Repair Management Limited Partnership	16,012	-
Current portion of long-term debt (Note 8)	2,981,135	812,724
Current portion of obligations under capital leases (Note 9)	825,450	576,735
	15,805,069	7,548,778
LONG-TERM DEBT (Note 8)	23,772,367	9,977,940
OBLIGATIONS UNDER CAPITAL LEASES (Note 9)	1,098,433	1,305,409
CONVERTIBLE DEBENTURES – DEBT COMPONENT (Note 10)	1,678,485	1,782,013
FUTURE TAXES (Note 14)	317,005	619,422
UNEARNED INCOME (Note 11)	5,457,792	1,519,231
OTHER LONG-TERM LIABILITIES	347,195	-
NON-CONTROLLING INTEREST	-	7,936
	48,476,346	22,760,729
CONTINGENCIES (Note 17)		
EQUITY		
SHARE CAPITAL (Note 12)	15,505,193	10,463,151
CONVERTIBLE DEBENTURES – EQUITY COMPONENT (Note 10)	288,232	297,704
RETAINED EARNINGS	3,586,267	1,468,417
CUMULATIVE TRANSLATION ADJUSTMENT	137,390	(21,475)
	19,517,082	12,207,797
	\$ 67,993,428	\$ 34,968,526

Approved by the Board:

Director

Director

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

Years Ended December 31

	2000	1999
RETAINED EARNINGS, BEGINNING OF YEAR	\$ 1,468,417	\$ 395,087
NET EARNINGS FOR THE YEAR	2,633,571	1,546,355
DIVIDENDS ON CLASS E SHARES	(473,024)	(473,025)
PREMIUM PAID ON CLASS A (SUBORDINATE RESTRICTED VOTING)		
SHARES PURCHASED AND CANCELLED (Note 12)	(42,697)	—
RETAINED EARNINGS, END OF YEAR	<u>\$ 3,586,267</u>	<u>\$ 1,468,417</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31

	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings	\$ 2,633,571	\$ 1,546,355
Items not affecting cash		
Future taxes	183,600	478,994
Depreciation and amortization	3,324,772	2,134,327
Amortization of unearned income	(611,462)	-
Non-controlling interest	7,064	1,200
Gain on disposal of assets	(50,472)	(19,155)
	5,487,073	4,141,721
Changes in non-cash working capital items (Note 15)	(4,911,002)	(1,526,474)
	576,071	2,615,247
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in obligations under long-term debt	20,044,251	9,418,585
Repayment of long-term debt	(4,697,423)	(4,003,995)
Repayment of obligations under capital leases	(671,620)	(558,120)
Issue of Class A (Subordinate Restricted Voting) shares, net of issue costs	32,885	251,010
Repurchase of Class A (Subordinate Restricted Voting) shares	(131,553)	-
Increase in unearned income	4,550,023	1,519,231
Increase in other long-term liabilities	347,195	-
Dividends paid	(473,024)	(473,025)
	19,000,734	6,153,686
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of capital assets	(1,612,809)	(969,829)
Acquisition and development of businesses	(4,342,290)	(3,435,522)
Deferred costs	(196,914)	(63,376)
Acquisition of other assets	(17,203,342)	(6,490,138)
Proceeds on disposal of assets	952,394	146,051
	(22,402,961)	(10,812,814)
Foreign exchange	5,409	266,492
NET DECREASE IN CASH POSITION	(2,820,747)	(1,777,389)
CASH POSITION, BEGINNING OF YEAR	(416,977)	1,360,412
CASH POSITION, END OF YEAR	\$ (3,237,724)	\$ (416,977)
INCOME TAXES PAID	\$ 1,430,189	\$ 680,480
INTEREST PAID	\$ 2,436,091	\$ 886,185

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. INCORPORATION AND DESCRIPTION OF THE BUSINESS

The Company is incorporated under The Corporations Act (Manitoba). Its business consists of the ownership and operation of autobody/autoglass repair facilities acquired either through the acquisition of existing businesses, or through site development resulting in new locations. In addition, the Company has licensed its trade names, trademarks and systems to independently owned repair facilities under license agreement.

During 2000, the Company acquired twelve locations through the acquisition of existing businesses and acquired the remaining 40% of 469006 B.C. Ltd. Effective December 31, 2000, the Company acquired the remaining 25% of 3364977 Manitoba Inc. As at December 31, 2000, the Company owned and operated fifty-five repair facilities, with thirty-seven in Canada and eighteen in the United States as well as eight licensed locations operating under its trade names in Canada.

The Class A (Subordinate Restricted Voting) shares of the Company are listed on the Toronto Stock Exchange under the trading symbol BYD.A.

2. ACCOUNTING POLICIES

a) Basis of presentation

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles as applied in Canada and include the accounts of the Company and the following direct subsidiary companies and ownership interests:

3364977 Manitoba Inc.	100%
The Boyd Group (Sask.) Inc.	100%
The Boyd Group (Alta.) Inc.	100%
Dean Bros. Collision Repairs Ltd.	100%
4050606 Manitoba Inc.	100%
469006 B.C. Ltd.	100%

All material inter-company balances, transactions and profits have been eliminated.

b) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

c) Capital assets

Capital assets are recorded at cost. Depreciation is calculated using the rates disclosed in Note 4. Leasehold improvements are amortized on the straight-line basis over the initial term of the lease plus one renewal period.

d) Deferred costs

Pre-operating period costs – The Company defers pre-operating period costs of new locations and amortizes these costs on a straight-line basis over a period of five years. The pre-operating period is the period ending thirty days from the opening date of a new location. During the pre-operating period, the activities of a new location are primarily space development, training and set-up in nature. Any revenues realized during the pre-operating period are recorded as a reduction of the pre-operating costs deferred.

Convertible debenture issue costs – Convertible debenture issue costs represent issue costs (including agents commissions) associated with the issuance of convertible debentures and more specifically the proportionate issue costs associated with the debt component of such debentures. These costs are amortized over the five year term of the debentures on a straight-line basis.

Deferred contract costs – Deferred contract costs represent costs associated with the 1998 acquisition of the assets and business of Coast to Coast Collision Centres Inc. and Coast to Coast Franchise Services Inc. specific to securing employment contracts with the President and the Senior Vice-President & Chief Operating Officer. These costs are being amortized over the five year term of the employment contracts on a straight-line basis.

Deferred financing costs – Deferred financing costs represent costs associated with the Company's refinancing and securitization of its credit facilities. These costs are being amortized over the seven year term of its long-term credit facilities on a straight-line basis.

e) Goodwill

Goodwill, which has resulted from the purchase of the net assets and/or net shareholder equity of autobody repair facilities, is carried at cost, less amortization to date and is being amortized on a straight-line basis over a period of 40 years. The Company eval-

2. ACCOUNTING POLICIES (continued)

uates the carrying amount of goodwill by reviewing returns and projections of future cash flows of the related businesses. Goodwill is written down when impaired and the amortization periods are revised if it is estimated that the remaining period of benefit has changed.

f) Franchise fees

Prior to August 29, 1998, franchise fees were paid to acquire franchise rights, which include trade names, trademarks and business systems, and are carried at cost less amortization to date. The franchise fees are being amortized on a straight-line basis over a period of ten years.

g) Financial instruments

Fair value – For the Company's current financial assets and liabilities, which are subject to normal trade terms, the historical cost carrying values approximate the fair values.

As there is no ready secondary market for the Company's long-term debt or its obligations under capital leases, the fair value of these items has been estimated using the discounted cash flow method. The fair value of these items using the discounted cash flow method is approximately equal to their carrying value.

Credit risk – The Company's revenues are largely received from the insurers of its customers. Accordingly, the Company's accounts receivable are comprised mostly of amounts due from national and international insurance companies or provincial crown corporations.

Financial risk – The financial risk is the risk to the Company's earnings that arises from fluctuations in interest rates and foreign exchange rates, and the degree of volatility of those rates. The Company utilizes interest rate swap agreements to manage fluctuations in certain interest rates but does not use derivative instruments to reduce its exposure to foreign currency risk.

Convertible debentures – The Company records its convertible debentures by apportioning this financial instrument between its debt component and its equity component. For Series I debentures, the debt component represents the present value of interest payments which will be paid over the term of the debentures together with the present value of the principal balance due at the end of the debenture term. For Series II debentures, the debt component represents the present value of interest payments for the term of the debentures. The equity component for Series II debentures represents the present value of the principal balance at the end of the five year term (as the Company has the ability to repay the principal balance by issuing shares), plus the amount calculated as the value of the holder conversion option. If the holder conversion option for Series II is not exercised, the value of the holder conversion option will be charged to capital surplus. In determining the present value of these financial transactions, the Company employs an interest rate which represents its estimated cost of borrowing similar subordinated, illiquid debt which does not bear an equity conversion privilege.

h) Acquisition costs

The Company follows the policy of capitalizing acquisition costs incurred on successful completion of acquisitions. These costs are allocated to the assets acquired and are subject to the accounting policies outlined above.

i) Income taxes

Current income taxes are based on taxable income and future income taxes are based on taxable temporary differences. The income tax rates used to measure income tax assets and liabilities are those rates enacted or substantially enacted at the balance sheet date.

j) Earnings per share

Basic earnings per common share are calculated using the weighted daily average number of common shares outstanding.

Fully diluted earnings per share are calculated under the assumption that all convertible debentures and Class E shares outstanding at the year end were converted at the beginning of the year, or at the date of issue, and that stock options and broker warrants outstanding at the year end had been exercised at the beginning of the year, or when granted. Imputed earnings on the proceeds from the exercise of the options and warrants are calculated using a 5.0% after tax rate of return. Interest savings on the conversion of convertible debentures are calculated using actual interest rates experienced during the year.

k) Foreign currency translation

The Company follows the current rate method of foreign currency translation for its net investment in its self-sustaining foreign operations. Under this method, assets and liabilities are translated into Canadian dollars at the rate of exchange prevailing at the balance sheet dates and income and expense items are translated at the average exchange rate during the period. The adjustment arising from the translation of these accounts has been deferred and included in equity as a cumulative translation adjustment.

l) Stock-based compensation

The Company provides compensation to certain employees of the company and its affiliates in the form of stock options which is described in Note 12. When options are exercised, proceeds received by the company are credited to share capital.

3. ACQUISITIONS

- a) During 2000, the Company acquired twelve collision repair facilities:
- i) On January 5, the assets and business of Auto Magic Paint & Body Center in Las Vegas, Nevada (1 repair facility);
 - ii) On February 15, the shares of Craftsman Paint and Body Shop, Inc. in Broken Arrow, Oklahoma (1 repair facility);
 - iii) On February 21, the assets and business of Pro-Tech Autobody in Henderson, Nevada (2 repair facilities);
 - iv) On March 15, the assets and business of Willows CollisionCraft and The Alignment Shoppe in Seattle, Washington (3 repair facilities);
 - v) On April 17, the assets and business of Kingswood Collision Center in Mesa, Arizona (1 repair facility);
 - vi) On April 17, the shares of Mainstreet Collision Center, Inc. in Mesa, Arizona (1 repair facility);
 - vii) On June 1, the shares of All-Consolidated Auto Rebuilders, Inc. in Chicago, Illinois (2 repair facilities); and
 - viii) On November 15, the shares of M & S Collision Center, Inc. in Valparaiso, Indiana (1 repair facility).
- b) On December 1, 2000, the Company acquired the remaining 40% of shares of 469006 B.C. Ltd., a Vancouver, British Columbia Boyd Autobody & Glass facility, to increase its ownership to 100%.
- c) Effective December 31, 2000, the Company acquired the remaining 25% of 3364977 Manitoba Inc., a Winnipeg, Manitoba Boyd Autobody & Glass facility, to increase its ownership to 100%.

The Company has accounted for these acquisitions using the purchase method as follows:

Fair value of assets acquired	\$ 8,045,630
Fair value of liabilities assumed	(2,268,558)
Fair value of net assets acquired	5,777,072
Goodwill	22,153,126
Total purchase consideration, including acquisition costs	<u>\$ 27,930,198</u>
Consideration provided	
Cash	\$ 21,792,420
Class A (Subordinate Restricted Voting) shares	4,898,965
Total consideration provided	\$ 26,691,385
Vendor financing	1,238,813
	<u>\$ 27,930,198</u>

During 2000, additional purchase price paid on acquisitions from 1999 and prior amounted to \$454,912, of which \$156,980 was paid by issuing additional Class A (Subordinate Restricted Voting) shares. The results of operations reflect the revenues and expenses of acquired operations from the date of acquisition.

4. CAPITAL ASSETS

	2000			1999	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value	Rates
Land	\$ 174,972	\$ -	\$ 174,972	\$ 619,923	-
Buildings	1,551,911	165,072	1,386,839	1,690,266	5%
Shop equipment/ paint spraybooths	9,682,846	2,983,850	6,698,996	4,112,368	15%
Equipment – office	963,214	372,528	590,686	459,892	20%
Computer hardware	1,332,564	518,425	814,139	524,359	30%
Computer software	974,095	314,182	659,913	319,529	3 - 5 yrs. S.L.
Signage	406,448	227,608	178,840	203,697	15%
Vehicles	4,067,609	1,486,100	2,581,509	2,352,396	10-20%
Leasehold improvements	4,132,525	1,124,230	3,008,295	2,325,760	10-15 yrs. S.L.
	<u>\$ 23,286,184</u>	<u>\$ 7,191,995</u>	<u>\$ 16,094,189</u>	<u>\$ 12,608,190</u>	

Included in the above are assets under capital lease with a cost of \$3,168,169 (1999 - \$3,064,278) and a net book value of \$2,031,182 (1999 - \$2,046,623). During the year, assets acquired through capital lease amounted to \$711,100.

5. DEFERRED COSTS

	2000	1999
Pre-operating period costs	\$ 240,387	\$ 234,950
Convertible debenture issue costs	203,752	203,752
Contract costs	200,000	200,000
Financing costs	254,121	69,431
	898,260	708,133
Less accumulated amortization	(396,863)	(251,119)
	\$ 501,397	\$ 457,014

6. OTHER ASSETS

	2000	1999
Goodwill	\$ 35,885,345	\$ 13,082,515
Franchise fees	270,000	341,000
	36,155,345	13,423,515
Less accumulated amortization	(1,222,395)	(526,534)
	\$ 34,932,950	\$ 12,896,981

7. BANK INDEBTEDNESS

	2000	1999
Funds on deposit	\$ (901,995)	\$ (1,131,487)
Operating demand loan at prime rate secured by a General Security Agreement securing all company assets	4,139,719	1,548,464
	\$ 3,237,724	\$ 416,977

8. LONG-TERM DEBT

	2000	1999
Extendible revolving credit facility, drawn portion convertible to term loan after one year, secured by a General Security Agreement and subsidiary guarantees, incentive priced interest rates ranging from prime plus 0.75% to 1.25% on prime based loans, or Banker's Acceptances/LIBOR stamp fee plus 1.75% to 2.25% on Banker's Acceptances or LIBOR loans, repayable over 28 quarterly instalments with the first principal repayment commencing July 31, 2001, interest paid monthly, repayable in U.S. funds	\$ 12,309,141	\$ —
Revolving credit facility, convertible to term loan after one year, secured by a General Security Agreement and subsidiary guarantees, incentive priced interest rates ranging from prime plus 1.25% to 1.75% on prime based loans, or Banker's Acceptances/LIBOR stamp fee plus 2.25% to 2.75% on Banker's Acceptances or LIBOR loans, repayable over 28 quarterly instalments with the first principal repayment commencing July 31, 2001, interest paid monthly, repayable in U.S. funds.	\$ 6,062,308	—
Term credit facility, secured by a General Security Agreement and subsidiary guarantees, incentive priced interest rates ranging from prime plus 0.75% to 1.25% on prime based loans, or Banker's Acceptances/LIBOR stamp fee plus 1.75% to 2.25% on Banker's Acceptances or LIBOR loans, repayable over 28 quarterly instalments of \$285,714 commencing August 31, 2000, interest paid monthly. \$ 4,741,772 is repayable in U.S. funds.	\$ 5,250,344	—
Term credit facility, secured by a General Security Agreement and subsidiary guarantees, incentive priced rates ranging from prime plus 0.75% to 1.25% on prime based loans, or Banker's Acceptances/LIBOR stamp fee plus 1.75% to 2.25% on Banker's Acceptances or LIBOR loans, interest rate fixed using an interest rate swap at 6.95 % plus Banker's Acceptance stamp fee, repayable over 28 quarterly instalments of \$71,428 commencing June 1, 2000, interest paid monthly.	\$ 1,767,183	—

8. LONG-TERM DEBT (continued)

	<u>2000</u>	<u>1999</u>
Revolving credit facility, convertible to term loan, secured by a General Security Agreement, incentive priced interest rate ranging from prime plus 0.25% to 0.75% on prime based loans, or Banker's Acceptances stamp fee plus 1.25% to 1.75% on Banker's Acceptances or LIBOR Loans, repayable over 28 quarterly instalments with the first principal repayment commencing June 1, 2000, interest paid monthly. \$ Nil (1999 - \$6,747,428) is repayable in U.S. funds.	\$ -	\$ 8,327,427
Revolving credit facility, convertible to term loan, secured by a General Security Agreement, incentive priced interest rate ranging from prime plus 0.5% to 1.0% on prime based loans, or Banker's Acceptances stamp fee plus 1.5% to 2.0% on Banker's Acceptances or LIBOR loans, repayable over 28 quarterly instalments commencing May 1, 2000, interest paid monthly.	-	2,000,000
Loan payable, secured by vehicles, repayable in monthly instalments of \$ nil (1999 - \$4,391) including interest at 7.5%, due July 22, 2000 to August 5, 2000.	-	32,423
Loans payable, unsecured, repayable in aggregate monthly instalments of \$283 (1999 - \$1,266) including interest at 8.0%, due March 2003. \$6,971 (1999 - \$4,291) is repayable in U.S. funds.	6,971	13,982
Loan payable, secured by vehicles, repayable in monthly instalments of \$ nil (1999 - \$1,749) including interest at 5.9%, due March 29, 2000 to May 3, 2000.	-	6,365
Loan payable, secured by accounts receivable, inventory, equipment and property of one particular U.S. subsidiary, repayable in monthly instalments of \$1,652 including interest at U.S. prime rate, repayable in U.S. funds.	59,264	-
Vendor notes payable on the financing of certain acquisitions, unsecured, at interest rates ranging from 2.5% to 6.5%, repayable in aggregate monthly instalments of \$14,483 (1999 - \$1,151) including interest, quarterly instalments of \$18,753 (1999 - \$18,041) plus interest or annual instalments of \$29,929 (1999 - \$nil). The notes are due April 2004 to June 2010 and are repayable in U.S. funds.	1,298,291	410,467
	26,753,502	10,790,664
Current portion	2,981,135	812,724
	<u>\$ 23,772,367</u>	<u>\$ 9,977,940</u>

Included in interest expense is interest on long-term debt of \$2,254,863 (1999 - \$501,824).

Principal payments required in the next five years are as follows:

2001	\$ 2,981,135
2002	4,308,362
2003	4,312,123
2004	4,230,158
2005	3,687,469

9. OBLIGATIONS UNDER CAPITAL LEASES

	<u>2000</u>	<u>1999</u>
Equipment leases, at interest rates ranging from 8.65% to 22.5%, repayable in aggregate monthly instalments of \$4,085, due March 2001 to March 2004, secured by equipment with a net book value of \$107,110	\$ 93,939	\$ 157,194
Vehicle leases, at interest rates ranging from 4.4% to 14.75%, repayable in aggregate monthly instalments of \$64,702 due March 2001 to March 2006, secured by vehicles with a net book value of \$1,924,072	1,829,944	1,724,950
	1,923,883	1,882,144
Current portion	825,450	576,735
	<u>\$ 1,098,433</u>	<u>\$ 1,305,409</u>

9. OBLIGATIONS UNDER CAPITAL LEASES (continued)

Included in interest expense is interest related to capital leases of \$162,188 (1999 - \$168,617).

Principal payments required in the next five years are as follows:

2001	\$ 825,450
2002	474,551
2003	404,439
2004	209,668
2005	6,695

10. CONVERTIBLE DEBENTURES

	<u>2000</u>	<u>1999</u>
Debt component		
Series I.....	\$ 1,620,705	\$ 1,724,233
Series II	57,780	57,780
	<u>\$ 1,678,485</u>	<u>\$ 1,782,013</u>
Equity component		
Series I.....	\$ 123,153	\$ 132,625
Series II	165,079	165,079
	<u>\$ 288,232</u>	<u>\$ 297,704</u>

Series I:

The debentures, issued January 5, 1998, bear interest at 8.5% per annum, paid quarterly and will be due on January 4, 2003. They are convertible at any time prior to maturity by the holder thereof into Class A (Subordinate Restricted Voting) shares of the Company at the rate of 850 Class A (Subordinate Restricted Voting) shares for each \$1,000 of debentures converted. The debentures are secured by a floating charge on all property of the Company subordinated to security granted to a bank or trust company and purchase money security interests. They rank pari passu with other debentures issued by the Company.

During the year, \$113,000 (1999 - \$94,000) in Series I debentures were converted into Class A (Subordinate Restricted Voting) shares.

The convertible debentures – equity component represents the equity component of the debentures less the proportionate issue costs of \$25,142 allocated to the equity component.

Series II:

The debentures, issued September 30, 1997, bear interest at 8.5% per annum, paid quarterly with principal due September 30, 2002. The debentures are convertible at any time by the holders thereof into Class A (Subordinate Restricted Voting) shares of the Company on the basis of one Class A (Subordinate Restricted Voting) share for each \$1.00 principal amount of the debenture so converted, subject to conversion of a minimum of \$1,000 principal amount, or increments thereof. The debentures are also convertible on the same basis, at the option of the Company, on maturity.

The debentures are redeemable by the Company at any time after the third anniversary date of the date of issue of the debentures on the following basis:

- a) if redeemed in the fourth year, a 5.0% premium over the principal amount so redeemed will be payable; and
- b) if redeemed in the fifth year, a 2.5% premium over the principal amount so redeemed will be payable.

The debentures are secured by a floating charge on all property of the Company subordinated to security granted to a bank or trust company and purchase money security interests. They rank pari passu with other debentures issued by the Company.

During the year, no Series II debentures were converted (1999 - \$7,000) into Class A (Subordinate Restricted Voting) shares.

The convertible debentures – equity component represents the equity component of the debentures less the proportionate issue costs of \$60,141 allocated to the equity component.

Included in interest expense is interest on convertible debentures of \$177,657 (1999 - \$190,081).

11. UNEARNED INCOME

Pursuant to agreements with multiple trading partners entered into in July, 1999 the Company receives capital funding in the form of pre-paid purchase rebates from such trading partners for each acquired collision repair business or start-up collision repair shop. Such amounts are recorded as unearned income when received and are amortized to income as they are earned, pursuant to terms of the agreements, over a period of 84 months from date of receipt.

Under the terms of such agreements, the Company is obligated to purchase the trading partners products on an exclusive basis for a term which extends beyond the 84 month amortization period. In exchange for this exclusive arrangement, and subject to certain conditions, the trading partners are required to continue to price their products competitively to the Company.

Early termination or default by the Company would require the Company to repay the aggregate unamortized balance of funding received plus interest from the date of termination or default to the date of repayment. In the event that termination or default occurred within the first five years of the agreements, the Company would also be required to make an additional payment, calculated as a declining percentage of the unamortized balance.

After five years the Company's repayment obligations for early termination or default would be limited to the aggregate unamortized balances.

The Company may also be required to repay the unamortized balance of funding received for any acquired business or start-up location that it subsequently decides to close or sell.

12. SHARE CAPITAL

Authorized

Unlimited number of Class A (Subordinate Restricted Voting) shares

By vote of shareholders at the April 27, 2000 Annual Meeting, the designation of the Class A voting shares was changed to Class A (Subordinate Restricted Voting) shares.

Unlimited number of Class B voting shares

Unlimited number of Class C non-voting redeemable preferred shares

Class C preferred shares are redeemable at the option of the issuer at the issue price and are entitled to a non-cumulative fixed dividend of 3.0% of the Class C share redemption price.

100 Class D voting shares

Holders of Class D shares are, subject to certain conditions, entitled to elect a majority of the members of the Board of the Company.

Unlimited number of Class E voting cumulative redeemable convertible preferred Class E shares

Authorized in 1998, each Class E share is entitled to 8.93 votes. Holders of Class E shares are entitled to receive, as and when declared thereon by the Board, but always in preference and priority to payment of dividends on the Class A (Subordinate Restricted Voting) shares, the Class B shares, the Class C shares, cumulative fixed dividends, at a rate per annum equal to 7.95% of the aggregate of the Class E share redemption price of the outstanding Class E shares, payable in equal quarterly instalments.

Class E shares are redeemable at any time after the 20th anniversary of the date of issue at the option of the Company or the holder. The Class E shares carry a redemption value of \$25.00 per share.

Holders of Class E shares shall be entitled at any time before the 20th anniversary date of issue to convert Class E shares to Class A (Subordinate Restricted Voting) shares on the following basis:

- (i) On or before the 5th anniversary of the date of issue, on the basis of 8.92857 Class A (Subordinate Restricted Voting) shares for each Class E share converted;
- (ii) After the 5th anniversary of the date of issue but on or before the 10th anniversary of the date of issue, on the basis of 7.14286 Class A (Subordinate Restricted Voting) shares for each Class E share converted;
- (iii) After the 10th anniversary of the date of issue but on or before the 15th anniversary of the date of issue, on the basis of 5.55555 Class A (Subordinate Restricted Voting) shares for each Class E share converted;
- (iv) After the 15th anniversary of the date of issue but on or before the 20th anniversary of the date of issue, on the basis of 4.54545 Class A (Subordinate Restricted Voting) shares for each Class E share converted.

Class E shares cannot be converted to Class A (Subordinate Restricted Voting) shares after the 20th anniversary of the date of issue.

12. SHARE CAPITAL (continued)

Issued

2000	1999		2000	1999
13,026,657	11,813,412	Class A (Subordinate Restricted Voting) shares	\$ 15,505,182	\$ 10,463,140
100	100	Class D voting shares	10	10
238,000	238,000	Class E voting shares	1	1
			<u>\$ 15,505,193</u>	<u>\$ 10,463,151</u>

During 2000, an additional 1,246,545 Class A (Subordinate Restricted Voting) shares were issued for a value of \$5,133,746 comprised of:

- Class A (Subordinate Restricted Voting) shares issued for partial consideration in the acquisition of automotive collision repair facilities accounting for 1,118,395 Class A (Subordinate Restricted Voting) shares valued at \$4,985,013;
- The conversion of Series I and II convertible debentures during the year accounting for 96,050 Class A (Subordinate Restricted Voting) shares for a value of \$113,000;
- The exercise of stock options during the year accounting for 32,100 Class A (Subordinate Restricted Voting) shares valued at \$35,733.

The Company initiated a Normal Course Issuer Bid to acquire for cancellation up to 5.0% of the outstanding Class A (Subordinate Restricted Voting) shares during the period commencing on September 6, 2000 and ending on September 5, 2001. Pursuant to the Normal Course Issuer Bid, the Company purchased and cancelled 33,300 Class A (Subordinate Restricted Voting) shares, having a book value of \$38,961, for an amount of \$81,658. The premium paid to acquire the shares has been charged to retained earnings. A further 25,500 Class A (Subordinate Restricted Voting) shares having a book value of \$31,100 have been purchased, but not cancelled, for an amount of \$49,895. The premium paid to acquire the shares has been charged to share capital pending cancellation.

Issue costs associated with the issue of these Class A (Subordinate Restricted Voting) shares amounted to \$2,848 (1999 - \$17,137).

The Class E shares were issued on August 28, 1998 and have an aggregate redemption value of \$5,950,000. The holders of these Class E shares have agreed not to exercise their rights to initiate redemption, which they would otherwise be entitled to after August 28, 2018, unless i) there is a take-over bid for the company; or ii) either of the two individuals initially owning (directly or indirectly) these Class E shares were to die before year 2025.

Pursuant to the Company's stock option plan, the Company has granted options to purchase Class A (Subordinate Restricted Voting) shares of the Company to directors and officers of the Company and to certain other key employees of the Company, its subsidiaries and its agents. Options granted in favour of the directors of the Company, who are not employees of the Company, vested immediately upon granting. All other options vest over 5 years, at the rate of 20% per year, subject to achievement of certain minimum corporate operating performance levels. The exercise price, which is set at the time of granting, is the market price of the Class A (Subordinate Restricted Voting) shares at the time of granting.

The following options are outstanding at December 31, 2000:

Date Granted	Number of Shares	Exercise Price	Expiry Date
January 28, 1998	453,500	\$ 1.01	January 28, 2004
December 31, 1998	142,600	\$ 1.55	December 31, 2004
January 25, 1999	163,200	\$ 1.61	December 31, 2004
August 19, 1999	92,000	\$ 2.00	December 31, 2005
December 9, 1999	20,000	\$ 2.85	December 31, 2005
January 5, 2000	248,500	\$ 2.50	January 5, 2006
March 20, 2000	25,000	\$ 2.70	March 20, 2006

The options have been issued, exercised or withdrawn as follows:

Date Granted	Issued	Exercised	Withdrawn	Outstanding
January 28, 1998	585,000	27,500	104,000	453,500
December 31, 1998	177,500	800	34,100	142,600
January 25, 1999	168,000	4,800	—	163,200
August 19, 1999	104,000	—	12,000	92,000
December 9, 1999	20,000	—	—	20,000
January 5, 2000	248,500	—	—	248,500
March 20, 2000	25,000	—	—	25,000

13. RELATED PARTY TRANSACTIONS

During the year the Company paid the following amounts to related parties:

- a) \$951,432 (1999 - \$924,769) to C.C. Collision Repair Management Limited Partnership ("C.C. Repair"), for management services. C.C. Repair, an entity owned by parties related to senior officers of the Company, employs all of the Company's operations managers for its Manitoba locations, as well as certain senior management staff and provides the services of these personnel to the Company under contract. Other than \$24,000 (1999 - \$24,000), all management fees collected by C.C. Repair were in turn paid out in expenses, either directly or indirectly to these employees of C.C. Repair for salaries, wages and benefits, or for other expenses associated with the delivery of management services.

Other than minor amounts capitalized and included as pre-operating period costs for new locations, these management fees have been included in salaries, wages and benefits.

- b) \$44,226 (1999 - \$46,899) to 3577997 Manitoba Inc., a subsidiary of Coast to Coast Collision Centres Inc. The payments represent premises rental expense for the Company's location at 139 Main Street, Selkirk, Manitoba, which is owned by 3577997 Manitoba Inc.

14. INCOME TAXES

- a) Future income taxes consist of the following temporary differences on:

	<u>2000</u>	<u>1999</u>
Capital assets	\$ (634,613)	\$ (444,500)
Intangible assets	(227,420)	(79,729)
Other	545,028	(95,193)
	<u>\$ (317,005)</u>	<u>\$ (619,422)</u>

- b) The Company's effective tax rate is made up as follows:

	<u>2000</u>	<u>1999</u>
Combined basic Canadian and U.S. Federal, Provincial and State tax rate	36.23%	40.90%
Non-deductible goodwill amortization	2.32%	1.65%
Non-deductible depreciation expense	0.79%	1.21%
Certain transaction costs	(0.69%)	(1.07%)
Other	(7.62%)	2.07%
Effective income tax rate	<u>31.03%</u>	<u>44.76%</u>

15. CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS

	<u>2000</u>	<u>1999</u>
Accounts receivable	\$ (4,764,993)	\$ (2,363,729)
Inventory	(1,268,439)	(615,246)
Prepaid expenses	(519,290)	(70,504)
Accounts payable and accrued liabilities	3,017,554	1,904,720
Due from (to) C.C. Collision Repair Management Limited Partnership	24,989	3,753
Income taxes recoverable	(1,400,823)	(385,468)
	<u>\$ (4,911,002)</u>	<u>\$ (1,526,474)</u>

16. LEASE COMMITMENTS

The Company has various operating lease commitments, primarily in respect of leased premises. The minimum amounts payable over the next five years are as follows:

2001	\$ 4,359,346
2002	4,021,393
2003	3,506,964
2004	3,306,155
2005	2,863,687

17. CONTINGENCIES

- a) The Company has three outstanding letters of credit to the Toronto Dominion Bank totaling \$70,000.
- b) Certain of the acquisitions include provisions for contingent purchase price amounts to be paid if certain financial performance is achieved. A portion of the contingent purchase price may be paid by the issue of additional Class A (Subordinate Restricted Voting) shares when the future market value of the shares is less than the share value established at the time of acquisition. The quantifiable contingent purchase price amounts which may be required to be paid in respect of these and prior year acquisitions is \$55,000. In addition to this quantifiable contingent purchase price, additional contingent purchase price amounts, which are not quantifiable at this time, may also be required to be paid.

18. INTEREST IN JOINT VENTURES

As disclosed in note 3(b), on December 1, 2000, the Company acquired the remaining 40% interest in 469006 B.C. Ltd. Prior to this date, the Company accounted for its investment in 469006 B.C. Ltd. using the proportionate consolidation method. The Company's interest in this joint venture was as follows:

	<u>2000</u>	<u>1999</u>
Sales	\$ 801,911	\$ 910,772
Expenses before management fees to joint venture shareholders	(807,880)	(910,138)
Net (loss) income before management fees to joint venture shareholders	<u>\$ (5,969)</u>	<u>\$ 634</u>
Current assets	\$ —	\$ 173,950
Long-term assets	—	181,403
Current liabilities	\$ —	\$ 264,127
Long-term liabilities (including shareholder loans)	—	236,309
Cash flows resulting from:		
Operating activities before management fees	\$ 36,791	\$ 66,116
Financing activities	(131,045)	(47,483)
Investing activities	(13,061)	(27,653)

The comparative figures for 1999 included a 60% interest in its investment in 469006 B.C. Ltd. for the period July 1 to December 31, 1999, a 30% interest in its investment in 469006 B.C. Ltd. for the period January 1 to June 30, 1999 and a 50% interest in 2791821 Manitoba Ltd. for the period January 1 to June 30, 1999. These investments were accounted for using the proportionate consolidation method. On July 1, 1999, the Company acquired the remaining 50% of 2791821 Manitoba Ltd. and an additional 30% interest in 469006 B.C. Ltd.

19. SEGMENTED REPORTING

The Company has one reportable segment, being automotive collision repair and related services, with all revenues relating to a group of similar services. For the year ended December 31, 2000, all of the Company's revenues were derived within Canada or the United States of America. All capital assets and goodwill are located within these two geographic areas.

	<u>Revenues</u>	<u>Capital Assets and Goodwill</u>
Canada	\$ 48,917,439	\$ 18,523,889
United States	48,132,897	32,340,964
Total	<u>\$ 97,050,336</u>	<u>\$ 50,864,853</u>

The Company's revenues are largely derived from the insurers of its customers, who are generally automobile owners. In three Canadian provinces where the Company operates, government owned insurance companies have, by legislation, either exclusive or semi-exclusive rights to provide insurance to the Company's customers. Although the Company's services in these markets are predominantly paid for by these government owned insurance companies, the Company's customers (automobile owners) have freedom of choice of repair provider.

20. DEFINED CONTRIBUTION PENSION PLANS

The Company has a number of defined contribution pension plans for certain employees located in the United States. The Company matches employee contributions at rates ranging from 0.0% to 6.0% of the employees' salary. The expense and payments for the year were \$99,297 (1999 - \$21,106).

21. SUBSEQUENT EVENTS

On February 1, 2001, the Company acquired, through its 100% wholly owned subsidiary, Rush Acquisition Corp., the shares of Rush's Collision and Safety Center, Inc. located in Flagstaff, Arizona.

On March 5, 2001, the Company acquired, through its 100% wholly owned subsidiary, Car-Tech Acquisition Corp., the shares of Car-Tech Holdings, Inc. located in Atlanta, Georgia. Car-Tech Holdings, Inc. is the parent company of four operating subsidiaries representing four collision repair facilities in Atlanta and surrounding area.

A total of 342,857 Class A (Subordinate Restricted Voting) shares have been issued as partial consideration for these acquisitions. These acquired businesses comprise five locations representing approximately \$23 million in annual sales.

On March 9, 2001, the Company issued 61,000 Class A (Subordinate Restricted Voting) shares as consideration for the remaining 25% interest in 3364977 Manitoba Inc.

Subsequent to December 31, 2000, the Company acquired for cancellation 10,400 Class A (Subordinate Restricted Voting) shares for a value of \$20,928.

Board of Directors

The Boyd Group Board of Directors consists of seven members – two of who are officers of the Company, and five of who are unrelated, outside Directors. The Boyd Group Board of Directors has established four standing committees: The Corporate Governance Committee, The Audit

Committee, The Executive Compensation Committee and The Stock Option Committee.

The Corporate Governance Committee is chaired by Wally Comrie and includes all of the unrelated, outside Directors. The Audit Committee is chaired by Gene Dunn and

includes Wally Comrie and Sherman Kreiner. The Executive Compensation Committee is chaired by Kevin Kavanagh and includes Bob Chipman and Terry Smith. The Stock Option Committee is chaired by Wally Comrie and includes Gene Dunn, Brock Bulbuck and Sherman Kreiner.



Terry Smith, President and Chief Executive Officer of the Company, founded Boyd in 1990 and through his entrepreneurial skills, marketing philosophies and management expertise, is widely credited as the architect of the Company's growth and development.



Brock Bulbuck, C.A. is Boyd's Senior Vice-President and Chief Operating Officer. Since joining the Company in 1993, he has played a leading role, along with Mr. Smith, in the development and growth of the business. He is responsible for the management of the Company's operations and he works closely with the President & CEO in the development and execution of Boyd's growth strategies.



Wally Comrie is Local Sales Manager for Television Marketing Group of Winnipeg. TMG is the marketing partnership of Global TV and CKY5. Under the Company's predecessor limited partnership structure, Mr. Comrie served as Chairman of the Advisory Committee. In addition to serving on the Board of Directors of Boyd, he also serves as director for Harval Sportswear and Winnipeg Habitat for Humanity.



Robert Chipman is Chairman and Director of The McGill-Stephenson Company Ltd. and National Leasing Group Inc. He also serves as a Director of Buhler Industries Ltd. and Rice Capital Management Plus Inc. Mr. Chipman is a past Director of the Royal Bank of Canada and Manitoba Telecom Services Inc.



Gene Dunn is President and CEO of Monarch Industries Ltd. of Winnipeg, a leading Canadian manufacturing company. In addition to serving on the Boyd Board of Directors, he is also a member of the Board of ENSIS Growth Fund, Abject.Com Inc. and is currently Chairman for the Board of Governors for Balmoral Hall School for Girls and Vice-Chairman of the Winnipeg Blue Bombers Club.



Kevin Kavanagh is Chancellor of Brandon University and is a former President and CEO of The Great-West Life Assurance Company. He is also on the Board of Directors of The Great-West Life Assurance Company, Great-West Lifeco Inc., London Life and National Leasing Group Inc.



Sherman Kreiner is President and CEO of Manitoba's Crocus Investment Fund. He is a Regent of the University of Winnipeg, a member of the SMART Winnipeg Advisory Council, the Business Council of Manitoba and the Associates. He is also an advisor to the Investment Committee of WCB, serves on the Boards of the Winnipeg Folk Festival, numerous other Crocus investee companies and serves as Chairman of Community Ownership Solutions Inc.

Company Officers & Subsidiary Company Officers

Terry Smith

President & Chief Executive Officer

Brock Bulbuck

*Senior Vice-President &
Chief Operating Officer*

Mike Graham

*Vice-President &
Chief Financial Officer*

Kevin Comrie

*Vice-President,
Marketing & Sales*

** Officers of subsidiary companies*

Brad Gechel

*Vice-President,
Corporate & Integration Services &
Regional Vice-President,
Alberta North Operations*

Dan Dott

Vice-President, Finance

Eric Danberg

Vice-President, Operational Systems

Roland Borsato*

Vice-President, Quality Systems

Pat Chassie*

*Regional Vice-President,
Alberta South Operations*

Derek Chatterley

*Regional Vice-President,
British Columbia & Northwest United
States Operations*

Bob Michalyshyn

*Regional Vice-President,
Manitoba & Saskatchewan Operations*

Todd Fox*

*Regional Vice-President,
United States Operations*

Stephen Viau*

*Regional Vice-President,
United States Operations*

Craig Kinniburgh

*Vice-President,
Insurance Customer Relations
(Alberta)*

Corporate Directory

Corporate Office

3570 Portage Avenue
Winnipeg, Manitoba, Canada
R3K 0Z8

Telephone: (204) 895-1244
Fax: (204) 895-1283
Website: www.boydgroup.com

Manitoba Locations

Bob Michalyshyn, *Regional Vice-President, Manitoba & Saskatchewan Operations*

Boyd Autobody & Glass Locations

614 Dudley Avenue
Winnipeg, MB R3M 1R7
Jim Preston, Manager

120 King Edward Street*
Winnipeg, MB R3H 0N8
Ray Chastko, Manager

730 Nairn Avenue
Winnipeg, MB R2L 0X7
Mike Smith, Manager

2405 Pembina Highway
Winnipeg, MB R3T 2H4
Rollie Riel, Manager

** Regional Office*

1520 Saskatchewan Avenue East
Portage la Prairie, MB R1N 3B5
Leonard Roy, Manager

15 Marion Street
Winnipeg, MB R2H 0S8
Dan Granger, Manager

A230 Jarvis Avenue
Winnipeg, MB R2V 3C8
Stewart Akerley, Manager

8 – 2140 McPhillips Street
Winnipeg, MB R2K 2M3
Terry Bondarenko, Manager

951 Henderson Highway
Winnipeg, MB R2W 3A1
Kevin Sharpe, Manager

20 Lakewood Boulevard
Winnipeg, MB R2J 2M6
Skye Houston, Manager

3570 Portage Avenue
Winnipeg, MB R3K 0Z8
Ryan Kehl, Manager

702 – 1st Street
Brandon, MB R7A 2X4
Anier Kamfoly, Manager

139 Main Street
Selkirk, MB R1A 1R2
Colin Garrioch, Manager

Saskatchewan Locations

Bob Michalyshyn, *Regional Vice-President, Manitoba & Saskatchewan Operations*

Boyd Autobody & Glass Locations

225 – 103rd Street East
Saskatoon, SK S7N 1Y8
Wilf Gareau, Manager

710 Circle Drive East*
Saskatoon, SK S7K 0V1
Serge Gareau, Manager

816 Municipal Crescent
Humboldt, SK S0K 2A0
Darren Eremko, Manager

2491 – 98th Street
North Battleford, SK S9A 3W1
Lee Ostberg, Manager

** Regional Office*

Alberta North Locations

Brad Gechel, *Vice-President, Corporate & Integration Services & Regional Vice-President, Alberta North Operations*

Craig Kinniburgh, *Vice-President, Insurance Customer Relations (Alberta)*

Mike Ratcliff, *General Manager, Edmonton Operations*

Service Collision Repair Centre Locations

4903 – 76th Avenue*
Edmonton, AB T6B 2S7
Perry Dubchak, Manager

17511 – 103rd Avenue
Edmonton, AB T5S 1J4
Terry Richter, Manager

113 Cree Road
Sherwood Park, AB T8A 3X9
Todd Diluba, Manager

35 Riel Drive
St. Albert, AB T8N 5C6
*Sally Greaves & Duane Bounds,
Managers*

14735 – 119th Avenue
Edmonton, AB T5L 2N9
Don Bonnar, Manager

* Regional Office

Alberta South Locations

Pat Chassie, *Regional Vice-President, Alberta South Operations*

Service Collision Repair Centre Locations

7668 – 49 Avenue*
Red Deer, AB T4P 1M4
*Joan Thompson & Peter Moylan,
Managers*

7932 – 49 Avenue
Red Deer, AB T4P 2V6
Allan Carter & Doug Riches, Managers

4609 – 49 Avenue
Olds, AB T5H 1C9
Brent Jensen, Manager

Gerry Zeck, *General Manager, Calgary Service Collision Repair Centres*

Service Collision Repair Centre Locations

5220 - 1A Street S.W.
Calgary, AB T2H 0E4
Mark Sturby, Manager

1808 - 16th Avenue N.E.
Calgary, AB T2E 1L2
Orest Mettimano, Manager

3520 - 32nd Street N.E.
Calgary, AB T1Y 6G7
Dave Stretz, Manager

* Regional Office

British Columbia Locations

Derek Chatterley, *Regional Vice-President, British Columbia & Northwest United States Operations*

Paul McFarlane, *General Manager, British Columbia Operations*

Boyd Autobody & Glass Locations

9666 King George Highway
Surrey, BC V3T 2V4
Neil Cardinal, Manager

450 West 7th Avenue
Vancouver, BC V5Y 3W5
Russ Frost, Manager

1111 West 73rd Avenue*
Vancouver, BC V6P 3E6
Robin Soni, Manager

540 John Street
Victoria, BC V8T 1T6
Paul Klatt, Manager

1321 – 3rd Avenue
New Westminster, BC V3M 1R3
Gale Mandla, Manager

1160 West 3rd Street
North Vancouver, BC V7P 1E6
Kevin Stark, Manager

5726 Landmark Way
Surrey, BC V3S 7H1
Glenn Hartle, Manager

2663 Sooke Road
Victoria, BC V9B 1Y3
Chris Remmer, Manager

22715 Dewdney Trunk Road
Maple Ridge, BC V2X 3K3
Tom Allard, Manager

* Regional Office

Northwest United States Locations

Derek Chatterley, *Regional Vice-President, British Columbia & Northwest United States Operations*

Diane Peters, *General Manager, CollisionCraft Operations*

B & H CollisionCraft
13640 N.E. 16th Street
Bellevue, Washington 98005
Wendell Blakley, Manager

Woodinville CollisionCraft
14201 NE 190th Street
Woodinville, Washington 98072
Mel Hartley, Manager

Marsten CollisionCraft
6811-212th Street SW
Lynnwood, Washington 98036
Holly Sampson, Manager

The Alignment Shoppe
14207 NE 190th Street
Woodinville, Washington 98072
Matt Mulholland, Manager

Willows CollisionCraft
9125 Willows Road
Redmond, Washington 98052
Bill Dils, Manager

Midwest United States Locations

Todd Fox, *Regional Vice-President, United States Operations*

Service Body Shop

1212 North Mosley
Wichita, Kansas 67214
Ron Lovell & Jim Key, Managers

Service Body Shop

443 North Maize Road*
Wichita, Kansas 67212
Jody Fox, Manager

Dunlap-Riggs Body Shop

407 West 5th Street
Claremore, Oklahoma 74018
Bryan Miller, Manager

Craftsman Paint & Body Shop

701 West Freepoint Street
Broken Arrow, Oklahoma 74012
Jay Carpenter, Manager

Service Body Shop

5617 West Kellogg
Wichita, Kansas 67209
Gavin Gurwig, Manager

Service Body Shop

2424 South Seneca
Wichita, Kansas 67217
Melissa Koehn, Manager

* Regional Office

Southwest United States Locations

Stephen Viau, *Regional Vice-President, United States Operations*

Auto Magic Paint & Body

5415 South Decatur Blvd.
Las Vegas, Nevada 89118
Chris Torres, Manager

Pro-Tech Autobody

645/649 Middlegate Road
Henderson, Nevada 89015
Don Lanning, Manager

Pro-Tech Autobody

15 – 2550 South Rainbow Blvd.
Las Vegas, Nevada 89146
Don Lanning, Manager

Rush's Collision & Safety Center

2696 E. Huntington Drive
Flagstaff, Arizona 86004
Bill Keyes, Manager

Kingswood Collision Center

1015 West Broadway
Mesa, Arizona 85210
David Baum, Manager

Mainstreet Collision Center

2700 East Main Street
Mesa, Arizona 85213
*Bob Solomonson & Cindy Backes,
Managers*

Indiana & Illinois Locations

Stephen Viau, *Regional Vice-President, United States Operations*

Rich Balster, *General Manager, All-Consolidated Auto Rebuilders*

Dave Salan, *General Manager, M&S Collision Center*

All-Consolidated Auto Rebuilders

272 East 147th Street
Harvey, Illinois 60426
Keith Green, Manager

All-Consolidated Auto Rebuilders

20 North Street
Park Forest, Illinois 60466
John Meyers, Manager

M&S Collision Center

553 South Washington Street
Valparaiso, Indiana 46383
Dan Winn, Manager

Southeast United States Locations

Stephen Viau, *Regional Vice-President, United States Operations*

Sam Baird, *General Manager, Car-Tech Collision*

Car-Tech Collision

1746 Cobb Parkway S.
Marietta, Georgia 30062
Ed Adams, Manager

Car-Tech Collision

3030 Satellite Boulevard
Duluth, Georgia 30096
Patrick Randolph, Manager

Car-Tech Collision

11200 Alpharetta Highway
Roswell, Georgia 30076
Bob Gibby, Manager

Car-Tech Collision

1830 Mount Zion Road
Morrow, Georgia 30260
David Hoelt, Manager

Licensed Locations

Roland Borsato, *Vice-President, Quality Systems*

Boyd Autobody & Glass Locations

1960 Dayton Street
Kelowna, BC V1Y 7W6
*Rick McGillivray & Gordie Abougoush,
Managers*

30860 Peardonville Road
Abbotsford, BC V2T 6J9
Bob Duncan, Manager

2635 Kingsway Avenue
Port Coquitlam, BC V3C 1T5
Ron Thomson, Manager

11966 – 95th Avenue
Delta, BC V4C 3T9
Pat Erhardt, Manager

5608 Imperial Street
Burnaby, BC V5J 1E9
Salim Lalani & Ray Hajee, Managers

1099 Lansdowne Drive
Coquitlam, BC V3B 4T7
Gerry Shy, Manager

17511 – 56A Avenue
Cloverdale, BC V3S 1G2
Sam Le & Tony Opdendries, Managers

The Boyd Group Shares and Exchange Listing

The Class A (Subordinate Restricted Voting) shares of the Company are listed on the Toronto Stock Exchange under the symbol BYD.A.

Issued and outstanding shares as at December 31, 2000: 13,026,657

Registrar and Transfer Agents

CIBC Mellon Trust Company
750 One Lombard Place
Winnipeg, Manitoba
R3B 0X3

CIBC Mellon Trust Company
199 Bay Street,
Commerce Court West, Security Level
Toronto, Ontario
M5L 1G9

Auditors

Deloitte & Touche LLP
2200 - 360 Main Street
Winnipeg, Manitoba
R3C 3Z3

Legal Counsel

Thompson Dorfman Sweatman
2200 - 201 Portage Avenue
Winnipeg, Manitoba
R3B 3L3

Bankers

TD Bank
201 Portage Avenue
Winnipeg, Manitoba
R3C 2T2

Annual General Meeting

Thursday, April 26, 2001
The Fairmont Hotel
Two Lombard Place
Winnipeg, Manitoba R3B 0Y3
5:00 p.m. (CDT)



THE BOYD GROUP INC.

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