THE BOYD GROUP INC. 2001 ANNUAL REPORT

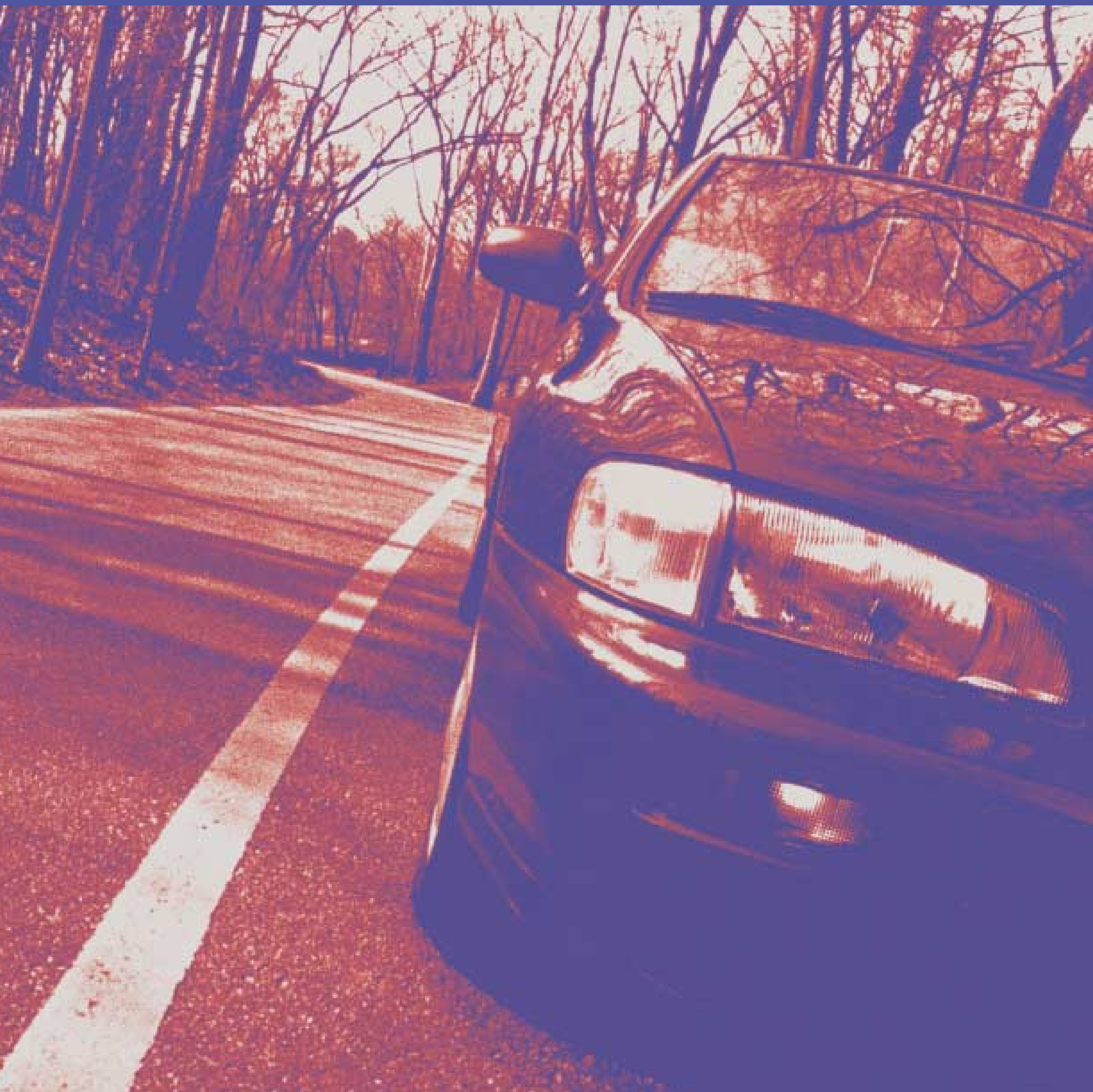


TABLE OF CONTENTS

2 The Boyd Group at a Glance

3 Message to Shareholders

6 Analysis of Objectives and Results

7 Report on Operations

12 Culture, Values & Mission Statement

13 Management's Discussion & Analysis

21 Consolidated Financial Statements

40 Board of Directors

41 Company Officers & Subsidiary Officers

41 Corporate Directory

44 Shareholder Information

COMPANY PROFILE

The Boyd Group Inc.[1] owns and operates automotive collision repair centers in Canada and the United States. The Company continues to achieve rapid growth within the highly fragmented $50 billion-plus 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 Boyd 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 North American collision repair industry and to represent the pre-eminent chain of upscale, retail-oriented collision repair shops in its chosen markets. The Company's strategies to achieve this goal 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 66 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) shares[2] of the Company are listed on the Toronto Stock Exchange and trade under the symbol BYD.A.

March 2002

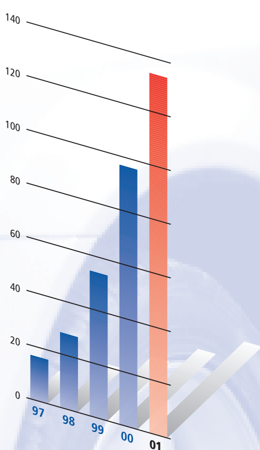
1. Also referred to as "The Boyd Group", "Boyd", or the "Company" within this report. Pre-1998 historical references to "Boyd" or the "Company" within this report include references to the business under its predecessor limited partnership structure.

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

- Continued expansion of operations by completing four acquisitions in Arizona, Georgia and Washington, as well as one start-up in Alberta – collectively comprising 11 locations and an estimated $41.5 million in annualized sales
- Secured a new credit facility increasing available credit to $50.0 million to finance future growth
- Launched the Big Box production model
- Achieved North America's first International Organization for Standardization (ISO) 9002 company-wide Multi-Site Registration for automotive collision repair
- Launched the 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
- Chosen again by British Columbia consumers as the winner of the prestigious Consumers' Choice Award for Business Excellence in the Body Shop category
- Grew sales to $133.6 million, up 38% from the previous year
- Increased earnings per share by 23% to $0.210 in 2001 from $0.171 in 2000

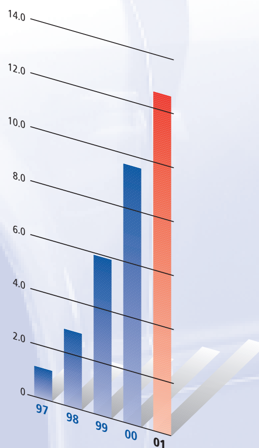
REVENUE

(in $ millions)

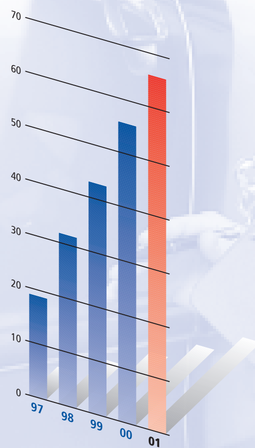


EBITDA

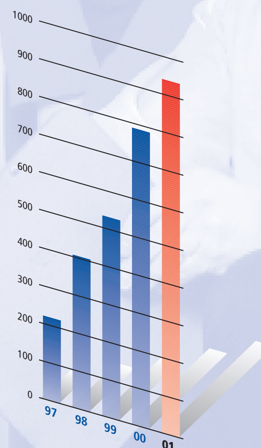
(in $ millions)



NUMBER OF LOCATIONS

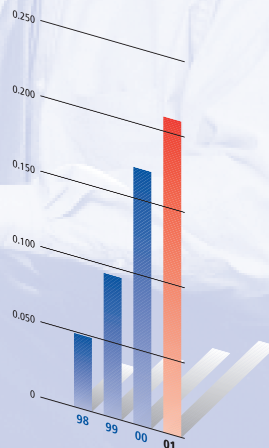


NUMBER OF EMPLOYEES



EARNINGS PER SHARE

(in $ since year of public listing)



"From the beginning, we have operated with an unwavering commitment to building a strong business for the benefit of both our shareholders and our employees."

BEST RESULTS EVER

In 2001, we again made significant progress as we remained focused on the basics of fixing cars and making our customers happy, while at the same time continuing with our tradition of careful risk-taking, innovation and solid execution of our business plan. In fact, we are pleased to report our **best results ever.** In spite of the North American economy's faltering performance in 2001, and the inevitable bumps along the way that all businesses experience (and we are no exception), we were able to post meaningful increases over the prior year... not only at the revenue line but also where it is more important and more difficult…the bottom line.

For the fiscal year ended December 31, 2001, sales reached $133.6 million, an increase of 38% over the prior year. Net earnings increased 26% to $3.3 million, and earnings per share grew 23% to $0.210 for the year, compared to $0.171 in 2000.

BUILDING OUR FUTURE ON A UNIQUE PAST

Over the past decade, Boyd has successfully expanded from an idea, to a very small startup company, to an industry leader with growing operations in both Canada and the United States. From the beginning, we have operated with an unwavering commitment to building a strong business for the benefit of both our shareholders and our employees; one built upon solid fundamentals that would survive the test of time. In the first phase of our development from 1990 to 1997, we concentrated on growing our Company by way of start-up locations and the purchase of under-performing or "fixer-upper" shops, and in doing so, we really learned the "nuts and bolts" of our business. During this time, we honed a style of thinking and planning ahead of our growth curve while adding infrastructure and corresponding costs at or slightly behind that curve. We had a strong desire to not only position our enterprise for the future but to also consistently print "black ink" and make regular distributions to our founding partners.

During this period, we also pursued and ultimately realized our vision of being North America's first publicly traded collision repair company.

In early 1998, entering our first year as a publicly traded company, we formulated a new plan and set out to achieve a bold goal of doubling our revenues and earnings in each of the following three years. This very ambitious objective served

to crystallize much of what we needed to do to successfully execute our plan. We recognized that along with a new acquisition plan...one which contemplated growth by way of acquisition of well-managed, high volume, profitable businesses (as opposed to start-ups and turn-around businesses), we needed to gear up to have the people, the capital, and the systems in place to support our growth.

Having achieved our goals in each of the first two phases of our growth, we have now set our objectives for the next phase and are in the early years of pursuing our vision of growing to $500 million in annual sales and $1.00 in earnings per share.

OUR CUSTOMERS

At Boyd, we have always had a strong commitment to the philosophy that quality customer service must be a cornerstone in the foundation of our business. This commitment has served us well as we have grown and evolved our business and as we have continued to build upon our solid base of satisfied customers. Today, we are seeing a growing trend where our customers are not only vehicle owners who seek us out when they are in need of collision repair services. They also include large insurance companies, who are increasingly influential in determining which repair facilities will receive the highest volumes of repair work.

We are pleased to be able to say that the culture that is ingrained in our operation is a culture based upon the "good old fashioned values" of hard work, integrity, and respect for people and this culture has served us very well in terms of the relationships that we enjoy with our valued insurance company customers. Today, all Boyd facilities which operate in private insurance markets participate in preferred supplier and direct repair agreements with the continent's largest auto insurers.

As we have in the past, we will continue to listen carefully to our customers and we will continue to build relationships and partnerships with these customers, at all levels of our respective organizations. In doing so, we will continue to position Boyd to be a leader as multi-unit collision repair operators emerge as preferred strategic trading partners in the marketplace.

OUR PEOPLE

Boyd's greatest and most valuable assets are not bricks, mortar, spray booths or equipment. Our greatest assets are our people, and respect for our people is another important cornerstone of our business. From the very beginning, we have stated that it was our objective to be a ***market leader*** operating a ***world-class*** business. We have also, from the very beginning, realized that we would not achieve this objective unless we had capable and motivated people – people willing to 'stretch' to meet the challenges ahead. We are proud of the achievements of our people and we will remain focused on ensuring that we have an environment that cultivates and rewards the type of people that are so very important to our success. It cannot be said often enough, so once again – we wish to say ***THANK YOU*** to all our valued employees for their contributions.

INNOVATION AND IMPROVEMENT

For some, change can be seen as a threat and a source of anxiety. For others, it can be a foundation for opportunity. We embrace change as an opportunity...an opportunity to develop new concepts and to improve upon the way we do business. Innovation and improvement is another cornerstone of our business.

We have a long list of innovative achievements: first publicly traded collision repair company in North America; an industry first $25 million forgivable capital funding arrangement with trading partners; first full service automotive collision repair facility in North America to achieve ISO registration; first in North America to achieve ISO 9002 Multi-Site Registration for automotive collision repair.

These are but a few examples of the types of value-creating initiatives that we have undertaken and successfully completed that have represented positive change and that would fall under the heading of innovation and improvement.

In 2001, we launched yet another exciting initiative that falls within this category – one that we have come to refer to as the Big Box concept. The Big Box concept, we believe, is an alternative and potentially more effective means of expansion and consolidation of the collision repair industry.

This concept contemplates the development of a ***world-class*** re-manufacturing facility that is replicable and that will:

- Achieve annual revenues of $50 million or more per facility;
- Be managed by specialists, including professional engineers with experience and training in sophisticated manufacturing techniques and environments;
- Utilize a team approach to the repair process;
- Provide staff with a high level of training and cross-training;

- Dramatically reduce repair cycle times;
- Achieve enhanced levels of customer satisfaction;
- Through higher volumes, economies of scale and process efficiencies, reduce the overall cost of collision repair;
- Integrate supplier support services into the production process; and
- Represent a completely new production and service delivery model for gaining competitive advantage and market share in the collision repair industry.

From a competitive point of view, we believe that the Big Box prototype represents unoccupied territory and a breakthrough strategy. We will keep you informed as to our progress on this exciting initative.

VALUE FOR OUR SHAREHOLDERS

Creating value for our shareholders is another of our important cornerstones. Boyd was founded upon the principle of carefully investing our shareholders' capital and working hard to create a sound and consistently profitable business for their benefit.

One of our main shareholder value objectives has been to maintain continued and meaningful growth in earnings per share. We see this as a fundamental that shareholders can use to judge our progress. Although our three-year rate of growth in earnings per share is in the 120% range and our earnings per share increased by 23% in 2001, candidly, we are not content with this performance. We have the ability to do much better and we will strive to do so.

We are also not content with the price/earnings multiple and resultant share valuation that the market has been assigning to our stock. Although we have been pleased to see a rebound in our stock price from the lows of September 2001, we know that our shareholders expect better performance and therefore we are committed to a greater focus on the investor relations component to our business.

All this being said, we are seeing positive results from past and current initiatives and believe that when we report to our shareholders at this time next year, we will be in a position to be much more positive in our remarks.

LOOKING AHEAD

In many ways, we close the book on 2001 with an even sharper focus on our future priorities. Our Company is on solid footing supported by the ***cornerstones*** of our business and we are well positioned for continued strong performance in the future.

For 2002, we will focus on the following:

- Continuing to enhance shareholder value through meaningful growth in earnings per share;
- Enhancing shareholder value through meaningful growth in the Company's share price;
- By way of acquisition as well as through growth in same store sales, increasing revenues at a rate comparable to, or exceeding, that which was achieved in 2001;
- Achieving all first year objectives for the Big Box collision repair facility; and
- Operational excellence.

In summary, we will continue to focus on fundamentals. We remain passionately committed to the solid execution of our business plan and staying the course with careful risk-taking and the ongoing pursuit of improvement through innovation.

In closing, we wish to once again say thank you to all of our shareholders, customers, employees, suppliers and members of our Board of Directors for your continued support.

We look forward to meeting with you to discuss this report and answer your questions at our Annual Meeting of Shareholders on May 8, 2002.

Terry Smith
President & Chief Executive Officer

OBJECTIVES	PERFORMANCE
Continue to enhance shareholder value through meaningful growth in earnings per share	Earnings per share grew by 23% from $0.171 in 2000 to $0.210 in 2001.
Continue to grow sales at meaningful double-digit rates	In 2001, sales grew to $133.6 million, a 38% increase over the prior year.
Pursue industry leading acquisitions in new markets as well as enhance share of existing markets by adding additional locations	In 2001, the Company completed a single store acquisition in the Arizona market, bringing the number of facilities in that market to three; completed a four-store platform acquisition in the Atlanta market and later in the year added a fifth "tuck-under" location; added four stores in the Seattle, Washington market to bring the Company's total number of stores in that region to eight , and opened a fourth Calgary, Alberta facility.
Establish and roll out a broad based employee share ownership plan	The Company is finalizing the details of its employee share ownership plan and now anticipates to have it ready to be rolled-out to employees in 2002.
Advance the Company's status as employer of choice within the collision repair industry	As a starting point in advancing employer of choice status, it was determined that developing an even better understanding of the Company's employees was of critical importance. Therefore, job satisfaction surveys were conducted in several of the Company's regions to develop an employee satisfaction base line. While the Company was pleased to learn that 98.1% of its employees feel they are treated fairly and with respect, a number of initiatives were developed to further enhance employee satisfaction and by extension, advance the Company's status as employer of choice.
Continue to focus on operational excellence and continuous improvement	In 2001, the Company carried out its plan to introduce its quality system to its U.S. locations. In March 2002, this roll-out culminated in the Company achieving company-wide ISO Multi-Site Registration – a first in the industry.

YEAR 2002 OBJECTIVES

- **Continue to enhance shareholder value through meaningful growth in earnings per share**
- **Enhance shareholder value through meaningful growth in the Company's share price**
- **By way of acquisition, as well as through growth in same store sales, increase revenues at a rate comparable to or exceeding that which was achieved in 2001**
- **Achieve all first year objectives for the Big Box collision repair facility**
- **Continue to focus on operational excellence**

Benchmarking and sharing Best Practices also continue to be key strategies for maximizing operational performance.

During 2001, the Company continued to develop and implement operational strategies and add operational systems aimed at achieving Company objectives and ensuring consistency across its geographically diverse locations. The fundamental focus of these strategies and systems, however, continued to be "fixing cars right", "making customers happy" and "making money". Although, with its growth, the Company has moved to put in place the necessary operational systems to manage growing operations, it has not departed from these basic fundamentals.

INSURANCE COMPANY RELATIONS

The Company continues to successfully develop and strengthen its Direct Repair Program ("DRP")[1] relationships with national insurance carriers in both Canada and the United States. These developing relationships represent tremendous opportunity for Boyd as the percentage of insurance-paid collision repair being handled through DRP's continues to increase. Auto collision claims handled through DRP's in the United States increased to 34% in 2001 from 8% in 1996. This percentage is expected to continue to grow and by 2004, it is anticipated that nearly 55% of auto collision claims will be handled through DRP's. Industry research suggests that this number could grow as high as 70% in the future. Along with this growth in DRP's, there also appears to be a growing preference for national insurance carriers to do business with collision repairers with multi-locations. This is evidenced in State Farm's "Select Service" program, a new next generation DRP program, which was introduced by State Farm in 2001.

During 2001, Boyd was successful in strengthening its relationships with many insurance carriers as well as extending several DRP relationships with national carriers from one market to another. The Company was also successful in being selected to participate in State Farm's Select Service program in two of its operating markets – Seattle, Washington and Atlanta, Georgia. Boyd "went live" with Select Service in Seattle in December 2001, initially as the only Select Service provider in the state. Boyd began participating in Select Service in Atlanta in February 2002.

As repair volume flowing through DRP's grows and as DRP's evolve (perhaps with continued preference towards multi-location operations as preferred suppliers), Boyd believes that it is extremely well positioned to take advantage of the opportunities that arise from these industry trends.

1. Referral 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 programs based on integrity, convenience and physical appearance of the facility, quality of work and customer service.

COMMON BRANDING STRATEGY

As was reported in the Company's 2000 Annual Report, 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. However, Boyd's desire to pursue a strategy of common branding has always been subject to the condition of needing to retain and preserve the goodwill associated with the names of its acquired businesses.

In late 2000, the Company finalized a Common Branding Strategy that would achieve its common branding goal (and all of the benefits attached thereto), but at the same time preserve the historical goodwill embodied within the names of its acquired businesses. This strategy

contemplated that implementation would be done one market at a time (focusing first where there is greatest brand fragmentation with existing names) and that it would take three to five years for full company-wide rollout. The 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 historical goodwill of the acquired names.

In developing the Common Branding Strategy, the Company strived to select a name or brand that reflected its underlying character and culture, as well as one suited for dual branding. After much study and analysis, the Company chose to use a variation of one of the trade names that was being used in one of its markets and it therefore selected **SERVICE COLLISION REPAIR CENTER** as its North American brand. As customer service is entrenched within the culture of the Company, Boyd believes that the SERVICE name not only represents what the Company does…but it also represents who the Company is. It is also well suited to dual branding or co-branding (for example…its acquired business "Car-Tech Collision" can become "Car-Tech SERVICE COLLISION REPAIR CENTER").

During 2001, the Company successfully rolled out the SERVICE COLLISION REPAIR CENTER name in its Alberta, Canada market, where 11 of its locations had previously been operating under five different brand names, and in its Seattle, Washington market where its eight locations had been operating under three different names. In early 2002, the roll out continued into Atlanta, Georgia and Tulsa, Oklahoma. In addition to changing signage at its operating locations, implementation includes internal (employee) and external (insurance company customer) communication, employee training, media advertising and, in some cases, facility upgrades.

COMPANY WIDE ISO MULTI-SITE REGISTRATION – "FIRST IN CLASS"

As reported in its 2000 Annual Report, Boyd achieved North America's first International Organization for Standardization (ISO)[2] multi-site registration in automotive collision repair when its entire Canadian operation (then 37 company owned locations) was granted ISO 9002 Multi-Site Registration. Because of the magnitude of a multi-site ISO registration undertaking, Boyd elected to focus on its Canadian operations as a first phase of

2. 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.

company-wide implementation. Its U.S. operations also represented more recently acquired businesses (ones acquired in 1999 and 2000) and in keeping with its integration strategy, it was deemed desirable to ensure that time was given to successfully integrating these new acquisitions before introducing these "industry-first" systems to them.

Response to the Boyd Quality System and the ISO Registration from customers, the insurance industry and employees has been extremely positive and in 2001 the Company carried out its plan to introduce its quality system to its U.S. locations (with the exception of recent acquisitions that were within the first 18 months of their integration period). In March 2002, this roll-out culminated in the Company achieving company-wide ISO multi-site registration, and in doing so was again "first in class" for this achievement in collision repair.

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 four 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 process continued throughout 2001 with Standard Operating Procedure roll-out to acquisitions as part of the Company's integration process.

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 creates a structure for continuous improvement. With its quality system in place, Boyd now has a system and discipline, which encourages and promotes opportunity for continuous operating improvement throughout the Company. 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.

DEVELOPMENT OF THE BIG BOX PRODUCTION MODEL

Since becoming a public company in 1998, Boyd's growth has come primarily by way of acquisition of market leading collision repair facilities. Although this has been, and can continue to be, a viable and successful strategy, Boyd has long believed that there was a better business model available for collision repair; one that could truly realize on the advantages and efficiency of size and scale. During 2001, the Company assessed that it was at a size and stage in its development that allowed it to pursue the development and testing of this model without it representing an unacceptable level of risk. It therefore engaged a multi-disciplined industrial engineering firm to assist in formalizing its plan to develop a Big Box production model. It then took the first step to begin to execute this plan when it acquired AWC Collision Centers in Tacoma, Washington, an operation which was well suited for transitioning to this Big Box model.

Boyd's Big Box model contemplates the development of a replicable world-class re-manufacturing facility that would, among other things:

- Be managed by specialists, including professional engineers with experience and training in sophisticated manufacturing techniques and environments

- Utilize large area, lower cost production space in a multiple shift environment
- Utilize a team approach to the repair process
- Provide staff with a high level of training and cross-training
- Integrate supplier support services into the production process

…to achieve the following outcomes:

- Achieve annual revenues of $50 million or more per facility
- Achieve higher gross margins and higher EBITDA margins than are achieved within the industry today
- Dramatically reduce repair cycle times
- Achieve enhanced levels of customer satisfaction
- Through higher volumes, economies of scale and process efficiencies, reduce the overall cost of collision repair
- Represent a completely new production and service delivery model for gaining competitive advantage and market share in the collision repair industry

While the Big Box prototype is currently in the early stages of execution, Boyd has an appropriate level of confidence in its ability to successfully execute this plan. Many of the production concepts that are embodied within the plan (including the use of satellite service centers and the de-skilling of labour) are ones which Boyd has had past experience. However, in the event that Boyd is not successful in execution, its plan has been structured in such a way so as to significantly mitigate the financial risk of this initiative. In fact, Boyd believes that the "worst case" scenario for its pilot of this model is that it will end up with a high volume, profitable, traditional collision repair shop and…its best case scenario is that it will have developed a break-through strategy in collision repair.

This initiative demonstrates Boyd's continued focus on operational excellence as well as its continued drive for innovation and continuous improvement.

CONTINUED FOCUS ON CUSTOMER SATISFACTION

Boyd's number one operating priority and passion continues to be customer satisfaction. Customer Satisfaction Indices ("CSI") continue to be measured at all operating locations. All of the Company's operations 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 acquisition 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.

During 2001, the Company initiated a number of additional customer service training initiatives in pursuit of continuous improvement in this area.

This dedication to measuring and enhancing customer service levels continues to bear results as Boyd continues to generate above industry average CSI results as well as achieve continuous improvement in this area.

A STRONG CORPORATE CULTURE

Throughout its history, Boyd's success has often been attributed, in part, to its "way of doing business" or its culture. Collision repair business owners have said that they have sold 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". Employees have appreciated that they are truly respected and that their thoughts and ideas are valued. These characteristics are all reflective of the culture of Boyd…a culture that guides employees in what they say…and in what they do; a culture

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

The method of continuing and spreading this strong culture throughout the organization has evolved from the early years of the Company when it was primarily through the close personal contact with the senior management group, whose personal styles and values emanated this culture…to more formal processes in 2000 and 2001 that included clear articulation and documentation of its culture, as well as broad communication of its culture to all levels of the organization.

Planned "culture building" initiatives at all levels of the organization now also contribute to spreading Boyd's culture. In August 2001, a significant culture building initiative was undertaken when Boyd brought all of its location managers, regional management and senior corporate and operational support staff together at the Elkhorn Resort in Manitoba, Canada for its inaugural Managers Conference. The objectives of this conference were primarily to "spread the culture" and provide all members of the Boyd team with a strong sense of identity and belonging. The entire Boyd team spent three days together learning about Boyd's culture, its values and its vision through a combination of team building activities, educational seminars and social activities. By all participants' assessment, the event was a complete success in terms of achieving its stated objectives. Tentative plans have been made to hold a similar event in 2003.

See page 12 for a full discussion of The Boyd Group Culture, Values, and Mission Statement.

ONGOING DEVELOPMENT AND REFINEMENT OF MANAGEMENT SYSTEMS AND OTHER INITIATIVES

As Boyd continues to grow, it continues to develop and refine many of its management systems.

During 2001, the Company continued with its bottom-up, company-wide Annual Planning Process whereby each of its operating locations and regions prepares a detailed 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. "Planning the work" and "working the plan" are engrained management practices at Boyd, whereas this process and discipline is uncommon elsewhere in the collision repair industry.

The Boyd Group continues to pursue improvement through innovation. Benchmarking and sharing Best Practices also continue to be key strategies for maximizing operational performance.

The Company continues to attract, develop and retain great people and remains committed to becoming an Employer of Choice within the collision repair industry. During 2001, using Manitoba as its pilot market, an Employer of Choice Committee was founded to carry out a number of Employer of Choice initiatives, including employee surveys and follow-up actions to address opportunities for improvement. Another Employer of Choice initiative, which had been slated to be implemented in 2001, had been the implementation of a broad-based employee share ownership plan ("ESOP"), which will afford all employees the opportunity to purchase Boyd Group shares on a cost-effective, Company assisted basis. Although this initiative was not able to be completed in 2001, the Company remains committed to this objective and expects to implement its ESOP during 2002.

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:

Being the best, being a leader (C, P, I)
Obsession for highest standards of quality, customer service and professionalism (C)
Your views and opinions (Sh, C, P)
Development 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)

Concern, care, respect and fair treatment for the individual, including safety, health and freedom from harassment and discrimination (P)
Open communication and fair process (P)
Responsible corporate citizenship (Sh, C, P)
Equal opportunity (P)

Value creation (Sh, P)
Actions consistent with clearly understood mission and goals (Sh, I, P)
Leadership, team work, pride and enthusiasm (P)
Unconditional adherence to the highest standards of ethics and integrity (Sh, C, P)
Earnings to support long-term growth, fiscal prudence, and frugality (Sh, P)
Service!

...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.

The following review of the Company's operating and financial results should be read in conjunction with the Company's audited financial statements, included on pages 21 to 39 of this report.

RESULTS OF OPERATIONS

HIGHLIGHTS

Highlights of events and corporate initiatives which had, and which 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 and Scotiabank were increased from $40 million to $50 million in March 2001, to support continued growth;
- Continued expansion of operations in Canada and the U.S. including completion of four acquisitions in Arizona (1 location), Georgia (5 locations) and Washington (4 locations) and start-up of one new location in Calgary, Alberta, comprising a total of 11 locations and $41.5 million in annualized revenue;
- Acquisition of the AWC Collision Center production and satellite facilities in Washington and launch of the Big Box production model, a design for a world-class re-manufacturing facility;
- Integration and implementation of the Boyd Quality system to achieve North America's first company-wide ISO 9002 Multi-Site Registration in the collision repair industry
- Launched the 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 acquired businesses.

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

($000, unless indicated)	2001	2000	% change
Sales	**$ 133,566**	$ 97,050	37.6%
EBITDA [1]	**12,557**	9,728	29.1%
EBITDA – % Sales	**9.4%**	10.0%	
Basic Earnings Per Share ($)	**0.210**	0.171	22.8%
Total Assets	**$ 89,207**	$ 67,993	31.2%
Long Term Debt [2]	**39,435**	30,367	29.9%
Total Equity [3]	**26,042**	19,517	33.4%
Annualized Sales [4]	**$ 152,000**	$ 110,000	38.2%

(1) Earnings before interest, income taxes, depreciation and amortization
(2) Includes convertible debentures – debt component
(3) Includes convertible debentures – equity component
(4) Represents approximate annual sales of operating locations in place at the year end, including sales growth from 2000 Exit Operations

ACQUISITIONS

Acquisitions during the year, representing approximately $41.5 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
February 1	Rush's Collision & Safety Center	Flagstaff, Arizona	1
March 5	Car-Tech Holdings	Atlanta, Georgia	4
September 28	AWC Collision Centers	Seattle, Washington	4
December 31	Car-Tech of Douglasville	Atlanta, Georgia	1

On December 4, the Company opened its 12th Alberta facility in Calgary, Alberta to provide further coverage in this important market.

Consistent with the Company's strategy, the newly acquired operations in Arizona and Georgia shared the common attributes of being profitable market leaders. In the two Georgia acquisitions, the vendor has joined Boyd in a management position and in the balance of the acquisitions, existing employee management were retained post-closing.

The Company's strategy contemplates continued growth through acquisition during 2002, resulting in year-over-year financial growth at or near rates achieved in 2001. The Company's annualized sales from U.S. operations represent approximately 66% of consolidated annualized sales of $152 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 $36.5 million over the prior year consists of the following components:

		Acquired Sales	Sales Growth
2000 Exit Operations	– ($000)	$ 12,518	$ 7,365
	– (%)	12.9%	7.6%
2001 Acquisitions	**– ($000)**	**$ 17,870**	**$ (1,239)**
	– (%)	**18.4%**	**(1.3)%**

Sales in markets that the Company operated in 2000 increased approximately 20.5% in 2001 when compared to 2000. This increase resulted from the full year impact of acquisitions completed in 2000 as well as same store sales/comparable period sales growth. Same store sales growth primarily resulted from increased market share in select regions and the positive impact of higher foreign currency translation rates on U.S. denominated revenues.

The $16.6 million of sales realized from 2001 acquisitions represented a 1.3% decrease 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 2001 of $60.0 million or 44.9% of sales, compared to $43.8 million or 45.2% of sales in 2000 reflects increased gross margin dollars resulting from increased sales. Gross margins from 2000 Exit operations increased from 45.2% in 2000 to 45.8% in 2001. Consolidated gross margin percentages were temporarily reduced by the impact of new acquisitions in the U.S. market during 2001. However, the Company expects to be able to improve such lower margins over time through application of gross profit improvement initiatives in these markets.

Operating Expenses of $47.5 million, or 35.5% of sales, increased from $34.1 million or 35.1% of sales in 2000. Contributing to the higher operating costs were increases in utilities costs and higher salaries, wage and benefit costs, principally in the newly acquired operations.

Salaries, wages and benefits increased to 20.1% of sales in 2001 from 19.2% of sales in 2000 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 growth.

The Company's current operating expense ratio of 35.5% 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. Consolidated operating expense ratios may be temporarily negatively affected by the impact of new acquisitions with higher operating expense ratios. 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.

EBITDA

Earnings before interest, income taxes, depreciation and amortization ("EBITDA") increased to $12.6 million or 9.4% of sales from $9.7 million or 10.0% of sales in the prior year, reflecting EBITDA on increased sales, offset principally by lower gross margins in newly acquired operations. EBITDA margins for 2000 Exit operations remained nearly flat, however, consolidated EBITDA margins were affected by the lower margins earned in newly acquired operations.

The continued development of strategic alliances having a direct impact on sales volumes, material and operating costs, combined with a further maturing of locations and other operating expense synergies are expected to result in improvement in the Company's EBITDA margin from Exit operations in 2002. New operations expected to be acquired during 2002 may, however, have the effect of temporarily depressing consolidated EBITDA margins.

DEPRECIATION AND AMORTIZATION

Depreciation and Amortization expense increased to $4.5 million or 3.4% of sales during 2001 from $3.3 million or 3.4% 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.

Effective January 1, 2002, the Company will adopt the new CICA Accounting Standard 3062 – Goodwill and Intangible Assets, resulting in significant changes in the method used to account for goodwill and other intangible assets. Under this new standard, entities are no longer permitted to amortize goodwill, but instead are required to adopt an acceptable method to annually establish the fair value of "reporting units", compare this fair value to the carrying value of such reporting units, and if fair market value is less than carrying value, consider and record any permanent impairment in goodwill attributed to the reporting unit.

As a result of implementing CICA 3062, the Company expects that its amortization charges will be significantly below the current percent of sales into the future, as it continues with its acquisition strategy. In 2001, goodwill amortization totaled $1.1 million or 0.8% of sales and it is expected that, without the effect of this accounting change, goodwill amortization would have continued as this level into the future. This accounting change, had it been implemented in 2001, would have the effect of increasing net income by approximately $0.9 million.

During 2002, and in accordance with the new standard, the Company will be developing the necessary methodology to fully implement CICA 3062 with respect to identification of "reporting units", assigning of assets and liabilities to these reporting units, allocating goodwill to reporting units, assessing the fair value of each reporting unit and determining if there has been any impairment in the carrying value of goodwill. As the Company has not yet completed this process, it cannot currently assess what impact the full application of this new standard will have on the its financial position and results of operations.

The Company anticipates that future depreciation charges on capital assets will continue at or near the same level as a percent of sales.

INTEREST EXPENSE

Interest expense increased to $3.7 million or 2.8% of sales, from $2.6 million or 2.7% of sales in 2000. This increase resulted primarily from the increase in bank debt, which was used to fund, in part, the year's acquisitions. The Company began to enter into interest rate swap agreements on a portion of its bank debt during 2000 to hedge its variable interest rate exposure, and continued to enter into new interest rate swap agreements in April 2001, on a significant portion of the outstanding credit facility, to further limit this exposure. Although short term interest rates declined during 2001, the long term rates applicable to the interest rate hedging agreements did not decline to the same degree. These agreements do, however, provide the Company with longer term protection against upward volatility in interest rates.

INCOME TAXES

Income Tax expense for the year decreased to $1.0 million or 0.7% of sales compared to $1.2 million or 1.2% of sales in 2000. 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 $3.3 million from $2.6 million in 2000, resulting from higher sales and lower income tax expense in relation to sales, partially offset by lower operating margins and higher interest costs.

Earnings Per Share for the year ended December 31, 2001, was $0.210 per share compared to $0.171 per share in 2000. 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 $0.191 per share for the year ended December 31, 2001, compared to $0.152 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 exceeded the growth in the number of shares issued during 2001.

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 2001, the Company raised additional equity through the issuance of Class A shares as follows:

- An additional 782,073 Class A shares issued throughout the year, at premiums to market pricing, with a total value of approximately $2.7 million, as partial consideration paid to vendors for acquisitions (including 260,063 Class A shares issued under share price guarantees relating to current and prior year acquisitions);
- The conversion of $153,400 (face value) of Series I and II convertible debentures throughout the year in exchange for the issuance of an additional 149,650 Class A shares;
- The exercise of stock options during the year resulting in the issuance of 5,600 Class A shares for cash proceeds of $6,520.

As indicated in last year's annual report, the Company did not anticipate needing, nor did it ultimately require, new equity in 2001, 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 common 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. On September 5, 2001, the Company completed the Normal Course Issuer Bid after repurchasing a total of 92,800 Class A shares at an average price of $2.06 per share. On November 27, 2001, the Company initiated, through the Toronto Stock Exchange, a new Normal Course Issuer Bid in order to repurchase up to 5% of the Company's outstanding shares. As of December 31, 2001, no Class A shares were repurchased through this new bid, however, the Company expects to continue to repurchase shares over the remaining term of this new bid, as long as the Company believes that the market price may not adequately reflect the underlying value.

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.

On September 15, 2001, the Company amended its agreement with the trading partners with respect to the forgivable capital funding, which allowed the Company to accelerate the recording of amortization of unearned income relating to existing acquisitions and start-ups, in consideration for a one-year extension to the terms and conditions of the agreements.

During 2001, the Company received approximately $8.0 million ($3.7 million in 2000) in forgivable capital funding toward 2000 and 2001 acquisitions.

The Company anticipates continuing to issue shares to vendors as partial payment for acquisitions, and will continue to assess the need to issue new equity in 2002 to fund its planned acquisitions. The Company will raise new debt or equity 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 March 20, 2001, the Company entered into a new seven-year syndicated loan agreement with the Toronto-Dominion Bank and Scotiabank, to be effective April 1, 2001. The new credit facilities were used initially to repay the existing facilities, and provide the Company with an ongoing ability to pay for a portion of future acquisitions using bank debt.

The new facility includes a $5 million operating line of credit and a $45 million revolving term facility to be used for acquisitions and new start-up locations. Availability of funds under both the operating credit and the revolving term facility were subject to annual renewal, however, once advanced, borrowings under the revolving term facility were committed, for a total of seven 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, 2001, the Company had approximately $34.0 million ($25.4 million – 2000) of debt outstanding under the revolving term facility and approximately $3.2 million ($4.1 million – 2000) outstanding under its operating line of credit.

During 2001, 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 does partially impact the total availability of funds under the syndicated credit facility, it is another means of supporting the Company's growth, at a relatively low cost.

The Company anticipates, as part of its ongoing strategy to grow through acquisition and start-up of new collision repair facilities, continuing to source new debt financing to supplement contributed equity and minimize dilution to shareholders.

WORKING CAPITAL

Net working capital (current assets less current liabilities) increased to approximately $8.9 million at December 31, 2001, from approximately $0.7 million at December 31, 2000. As a result of entering into the new syndicated loan agreement, under which repayment of the credit facilities will commence on July 1, 2003, the working capital position at December 31, 2001, does not include any current portion of long-term bank debt due within one year. Acquisitions during 2001 also contributed to the growth in working capital over the prior year. The Company expects to continue to operate at or above a working capital ratio of 1:1.

CAPITAL EXPENDITURES

Excluding expenditures for acquisitions, the Company spent approximately $3.5 million ($1.8 million, net of obligations under capital leases of $1.7 million) or 2.6% of sales on capital expenditures in 2001, compared to $2.3 million ($1.6 million, net of obligations under capital leases of $711 thousand) or 2.4% of sales in 2000. Of this amount, almost 46% or $1.6 million was in respect of courtesy car fleet expansion or replacement. Other capital expenditures in 2001 included continued expenditures on conversion of business information systems to a corporate-wide standard, implementation of common branding in selected markets and upgrade of production equipment to improve capacity and throughput in certain locations. The Company expects that the future level of capital expenditures, as a percentage of sales, will be at, or near, the 2001 level.

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, its system of internal controls and sound operating practices.

RISKS ASSOCIATED WITH THE ACQUISITION STRATEGY

The Company's objectives include plans to continue to increase revenues and earnings through the acquisition of additional collision repair facilities. There can be no assurance that the Company will be able to identify, acquire and profitably integrate and manage additional facilities. There can be no assurances that the acquired companies will continue to achieve sales and profitability levels

achieved historically to justify the Company's investment. Acquisitions involve a number of risks, which may include: adverse short-term effects on the Company's reported results and cash flows; diversion in management attention; inability to retain certain key management; and unidentified legal and environmental liabilities. Further, there can be no assurances that the Company will be able to continue to acquire facilities with the current pricing model should competition for the target facilities intensify.

The Company mitigates the risks associated with it's acquisition strategy through applying a disciplined approach to due diligence before completing an acquisition, as well as developing and executing a thorough integration plan once the acquisition is complete.

RELATIONSHIPS WITH CUSTOMERS

Over 70% of the Company's revenues are derived from insurance companies in private insurance markets, who over the past decade have implemented Direct Repair Programs ("DRP") with collision repair operators who have been recognized as consistent high quality repairers in the industry. The Company's ability to continue to grow the business in these markets, as well as maintain existing business volume, is largely reliant on the ability to maintain the DRP relationships throughout existing and acquired facilities. The Company continues to develop and monitor these relationships through formal agreements and ongoing measurement of the success factors considered critical by the insurance customer.

The auto body 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 2001, Boyd derived approximately 26% of its revenue from these markets, compared to 33% 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 as good 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 2001.

COMPETITION

The collision repair industry in North America is in the very early stages of consolidation. At present, this industry, estimated at approximately $50 billion, is highly fragmented, consisting primarily of small independent family owned businesses operating in local markets. To date only a small number of multi-unit collision repair operators, growing in part through acquisition, have emerged in North America. No single operator 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 less than 5% market share. The Company anticipates facing increasing competition as it focuses more of the acquisition effort and expansion in the U.S. market.

Given these industry characteristics, existing or new competitors may become significantly larger and have greater financial and marketing resources than Boyd. These competitors may compete with Boyd in rendering services in the markets in which Boyd currently operates and also in seeking existing facilities to acquire or new locations to open in markets in which Boyd desires to expand. There can be no assurance that the Company will be able to maintain or achieve its desired market share.

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

KEY SUPPLIER RELATIONSHIPS

In 1999, the Company entered into certain key supplier relationships that provide the Company with approximately $25 million in forgivable capital funding over a period of three to six years. At December 31, 2001, the end of the third year of the agreement, the Company has used approximately $13.8 million of this funding. The forgivable capital funding is to be used as partial payment for acquisitions and greenfield sites. There can be no assurance that the forgivable capital funding will be available to the Company beyond the current $25 million commitment. The absence of subsequent forgivable capital funding would significantly impact the Company's cash funding of future acquisitions and greenfields.

ON-GOING ACCESS TO CAPITAL

In order to implement its growth plan through 2002 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 discussed elsewhere in this discussion and analysis, the Company's strategy has been to raise capital 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 will endeavor to have new credit facilities available when needed.

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, to ultimately 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. Historically, extremely mild winters and dry weather conditions 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 advertising and high levels of customer service. The Company's increasing geographic diversification resulting from its growth and expansion is expected to continue to lessen the effect of this risk.

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. In April 2001, the Company entered into further seven-year amortizing interest rate swap agreements to hedge an additional $28.8 million of its outstanding revolving term facility which is expected to convert to a six-year amortizing term loan in April 2002. The Company will continue to monitor and implement mechanisms to mitigate the exposure to long term interest rate fluctuations.

FOREIGN EXCHANGE RISK

As the Company has continued to invest in U.S. acquisitions during 2001, it has mitigated 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 expects 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 2002 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.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

These consolidated financial statements have been prepared by management in accordance with 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 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, 2001 and 2000 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, 2001 and 2000 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 11, 2002

CONSOLIDATED STATEMENTS OF EARNINGS

Years Ended December 31

	2001	2000
SALES	$ 133,565,607	$ 97,050,336
COST OF SALES	73,480,141	53,219,642
GROSS MARGIN	60,085,466	43,830,694
OPERATING EXPENSES	47,527,967	34,102,250
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION	12,557,499	9,728,444
Depreciation and amortization	4,547,636	3,324,772
Interest expense	3,756,394	2,594,708
Interest income	(52,177)	(9,607)
	8,251,853	5,909,873
EARNINGS BEFORE INCOME TAXES	4,305,646	3,818,571
INCOME TAXES *(Note 14)*		
Current	587,576	1,001,400
Future	400,124	183,600
	987,700	1,185,000
NET EARNINGS	$ 3,317,946	$ 2,633,571
AVERAGE NUMBER OF SHARES OUTSTANDING	13,572,958	12,666,019
BASIC EARNINGS PER SHARE *(Note 22)*	$ 0.210	$ 0.171
DILUTED EARNINGS PER SHARE *(Note 22)*	$ 0.191	$ 0.152

CONSOLIDATED BALANCE SHEETS

December 31

		2001		2000
ASSETS				
CURRENT				
Cash *(Note 7)*	$	**2,091,838**	$	–
Accounts receivable		**12,361,375**		11,183,811
Income taxes recoverable		**1,601,576**		1,089,508
Inventory		**3,765,535**		2,961,238
Prepaid expenses		**1,974,355**		1,230,335
		21,794,679		16,464,892
CAPITAL ASSETS *(Note 4)*		**21,416,743**		16,094,189
DEFERRED COSTS *(Note 5)*		**1,228,196**		501,397
OTHER ASSETS *(Note 6)*		**44,766,919**		34,932,950
	$	**89,206,537**	$	67,993,428

	2001		2000
LIABILITIES			
CURRENT			
Bank indebtedness *(Note 7)*	$ –	$	3,237,724
Accounts payable and accrued liabilities	**11,656,066**		8,744,748
Due to C.C. Collision Repair Management Limited Partnership	**8,917**		16,012
Current portion of long-term debt *(Note 8)*	**292,896**		2,981,135
Current portion of obligations under capital leases *(Note 9)*	**864,765**		825,450
Current portion of convertible debentures – debt component *(Note 10)*	**31,564**		–
	12,854,208		15,805,069
LONG-TERM DEBT *(Note 8)*	**34,897,233**		23,772,367
OBLIGATIONS UNDER CAPITAL LEASES *(Note 9)*	**1,750,247**		1,098,433
CONVERTIBLE DEBENTURES – DEBT COMPONENT *(Note 10)*	**1,597,800**		1,678,485
FUTURE TAXES *(Note 14)*	**863,145**		317,005
UNEARNED INCOME *(Note 11)*	**10,843,280**		5,457,792
OTHER LONG-TERM LIABILITIES	**358,179**		347,195
	63,164,092		48,476,346
CONTINGENCIES *(Note 17)*			
EQUITY			
SHARE CAPITAL *(Note 12)*	**18,359,794**		15,505,193
CONVERTIBLE DEBENTURES – EQUITY COMPONENT *(Note 10)*	**183,953**		288,232
RETAINED EARNINGS	**6,396,650**		3,586,267
CUMULATIVE TRANSLATION ADJUSTMENT	**1,102,048**		137,390
	26,042,445		19,517,082
	$ 89,206,537	$	67,993,428

Approved by the Board:

Director

Director

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

Years Ended December 31

		2001		2000
RETAINED EARNINGS, BEGINNING OF YEAR	$	**3,586,267**	$	1,468,417
NET EARNINGS FOR THE YEAR		**3,317,946**		2,633,571
DIVIDENDS ON CLASS E SHARES		**(473,024)**		(473,024)
PREMIUM PAID ON CLASS A (SUBORDINATE RESTRICTED VOTING) SHARES PURCHASED AND CANCELLED *(Note 12)*		**(34,539)**		(42,697)
RETAINED EARNINGS, END OF YEAR	$	**6,396,650**	$	3,586,267

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net earnings	**$ 3,317,946**	$ 2,633,571
Items not affecting cash		
Future taxes	**400,124**	183,600
Depreciation and amortization	**4,547,636**	3,324,772
Amortization of unearned income	**(2,089,942)**	(611,462)
Non-controlling interest	**–**	7,064
Gain on disposal of assets	**(34,931)**	(50,472)
	6,140,833	5,487,073
Changes in non-cash working capital items *(Note 15)*	**(333,726)**	(4,911,002)
	5,807,107	576,071
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in obligations under long-term debt	**10,666,100**	20,044,251
Repayment of long-term debt	**(3,748,565)**	(4,697,423)
Repayment of obligations under capital leases	**(950,024)**	(671,620)
Issue of Class A (Subordinate Restricted Voting) shares, net of issue costs	**6,520**	32,885
Repurchase of Class A (Subordinate Restricted Voting) shares	**(62,994)**	(131,553)
Increase in unearned income	**7,276,810**	4,550,023
Increase in other long-term liabilities	**–**	347,195
Dividends paid	**(473,024)**	(473,024)
	12,714,823	19,000,734
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of capital assets	**(1,821,085)**	(1,612,809)
Acquisition and development of businesses	**(6,071,269)**	(4,342,290)
Deferred costs	**(973,682)**	(196,914)
Acquisition of other assets	**(6,390,585)**	(17,203,342)
Proceeds on disposal of assets	**1,715,518**	952,394
	(13,541,103)	(22,402,961)
Foreign exchange	**348,735**	5,409
NET INCREASE (DECREASE) IN CASH POSITION	**5,329,562**	(2,820,747)
CASH POSITION, BEGINNING OF YEAR	**(3,237,724)**	(416,977)
CASH POSITION, END OF YEAR	**$ 2,091,838**	$ (3,237,724)
INCOME TAXES PAID	**$ 802,001**	$ 1,430,189
INTEREST PAID	**$ 3,247,017**	$ 2,436,091

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 auto body/auto glass 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 2001, the Company acquired ten locations through the acquisition of existing businesses and developed one new location through site development. As at December 31, 2001, the Company owned and operated sixty-six repair facilities, with thirty-eight in Canada and twenty-eight in the United States as well as seven licensed locations operating under its trade names in Canada. In addition to the acquisitions, the Company formed The Boyd Group Finance Limited Partnership on October 23, 2001. The partnership had no activity during the year.

During 2000, the Company acquired twelve locations through the acquisition of existing businesses and acquired the remaining 40% of 469006 B.C. Ltd. and 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 Canadian generally accepted accounting principles 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%
The Boyd Group Finance Limited Partnership	100%

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

b) Revenue recognition

The Company recognizes revenue when the rendering of services is completed.

c) Inventory

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

d) 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.

e) 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. In some cases, where significant re-design of acquired businesses is required, the pre-operating period is six months. During the pre-operating period, the activities of a new location are primarily space development, training, re-design 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.

f) Goodwill and change in accounting policy

Goodwill, which has resulted from the purchase of the net assets and/or net shareholder equity of auto body repair facilities, is carried at cost, less amortization to date and for those purchases prior to July 1, 2001, has been amortized on a straight-line basis over a

2. ACCOUNTING POLICIES (continued)

period of 40 years. The Company evaluates the carrying amount of goodwill by reviewing returns and projections of future cash flows of the related businesses. The Company has adopted the new Canadian Institute of Chartered Accountants accounting standard on goodwill. Effective January 1, 2002, goodwill will no longer be amortized and will be subject to a periodic valuation impairment test. Under this standard, goodwill arising from acquisitions subsequent to July 1, 2001, has not been amortized.

g) Franchise fees

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

h) 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.

i) 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.

j) 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 future income tax assets and liabilities are those rates enacted or substantially enacted at the balance sheet date.

k) Earnings per share

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

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. The proceeds received on the exercise of stock options and warrants, are assumed to be used to purchase shares at market prices and held for treasury. Interest savings on the conversion of convertible debentures are calculated using actual interest rates experienced during the year.

During 2001, the Company adopted the recommendations of the CICA Handbook Section 3500 Earnings Per Share, which resulted in the presentation of basic and diluted earnings per share on the Consolidated Statement of Earnings. The treasury stock method is used for calculating diluted earnings per share. This change in accounting policy has been applied retroactively. The impact of the change in accounting policy to the financial statements was not material.

l) 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.

m) 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.

2. ACCOUNTING POLICIES (continued)

n) Derivative financial instruments

The Company uses derivative products as risk management instruments to hedge or manage floating interest rate positions within guidelines, which prohibit their use for speculative trading purposes. The accounting policies for derivative financial instruments used for hedging correspond to those used for the underlying hedged position.

o) Measurement uncertainty

The measurement of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

3. ACQUISITIONS

During 2001, the Company acquired ten collision repair facilities:

i) On February 1, the shares of Rush's Collision and Safety Center, Inc. in Flagstaff, Arizona (1 repair facility);

ii) On March 5, the shares of Car-Tech Holdings, Inc. in Atlanta, Georgia. Car-Tech Holdings, Inc. is the parent company for four operating subsidiaries (4 repair facilities);

iii) On September 28, the assets and business of AWC Collision Center in Seattle, Washington (4 repair facilities);

iv) On December 31, the shares of Car-Tech of Douglasville, Inc. in Atlanta, Georgia (1 repair facility).

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);

viii) On November 15, the shares of M & S Collision Center, Inc. in Valparaiso, Indiana (1 repair facility).

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%.

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:

	2001	2000
Fair value of assets acquired	**$ 9,630,856**	$ 8,045,630
Fair value of liabilities assumed	**(3,288,880)**	(2,268,558)
Fair value of net assets acquired	**6,341,976**	5,777,072
Goodwill	**8,512,204**	22,153,126
Total purchase consideration, including acquisition costs	**$ 14,854,180**	$ 27,930,198
Consideration provided		
Cash	**$ 12,091,146**	$ 21,792,420
Class A (Subordinate Restricted Voting) shares	**2,661,095**	4,898,965
Total consideration provided	**14,752,241**	26,691,385
Vendor financing	**101,939**	1,238,813
	$ 14,854,180	$ 27,930,198

During 2001, additional purchase price paid on acquisitions from 2000 and prior amounted to $258,162 (2000 - $454,912) of which $116,000 (2000 - $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

	2001			2000	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value	Rates
Land	$ 52,472	$ –	$ 52,472	$ 174,972	–
Buildings	292,803	45,222	247,581	1,386,839	5%
Shop equipment/ paint spraybooths	13,938,092	3,988,378	9,949,714	6,698,996	15%
Equipment – office	1,254,696	464,922	789,774	590,686	20%
Computer hardware	1,823,143	816,419	1,006,724	814,139	30%
Computer software	1,224,640	530,829	693,811	659,913	3-5 yrs. S.L.
Signage	633,005	268,747	364,258	178,840	15%
Vehicles	4,862,112	1,696,034	3,166,078	2,581,509	10-20%
Leasehold improvements	6,746,166	1,599,835	5,146,331	3,008,295	10-25 yrs. S.L.
	$ 30,827,129	$ 9,410,386	$ 21,416,743	$ 16,094,189	

Included in the above are assets under capital lease with a cost of $4,077,880 (2000 - $3,168,169) and a net book value of $2,750,329 (2000 - $2,031,182). During the year, assets acquired through capital lease amounted to $1,632,676 (2000 - $711,100).

5. DEFERRED COSTS

	2001	2000
Pre-operating period costs	$ 553,314	$ 240,387
Convertible debenture issue costs	203,752	203,752
Contract costs	200,000	200,000
Financing costs	908,083	254,121
	1,865,149	898,260
Less accumulated amortization	(636,953)	(396,863)
	$ 1,228,196	$ 501,397

6. OTHER ASSETS

	2001	2000
Goodwill	$ 46,921,169	$ 35,885,345
Franchise fees	270,000	270,000
	47,191,169	36,155,345
Less accumulated amortization	(2,424,250)	(1,222,395)
	$ 44,766,919	$ 34,932,950

7. CASH (BANK INDEBTEDNESS)

	2001	2000
Funds on deposit	$ 5,325,001	$ 901,995
Operating demand loan at prime rate secured by a General Security Agreement securing all company assets	(3,233,163)	(4,139,719)
	$ 2,091,838	$ (3,237,724)

8. LONG-TERM DEBT

	2001	2000
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/U.S. base rate plus 1.0% to 1.75% on prime based or U.S. base rate loans, or Banker's Acceptances/LIBOR stamp fee plus 2.5% to 3.25% on Banker's Acceptances or LIBOR loans, repayable over 24 quarterly instalments with the first principal repayment commencing July 1, 2003, interest paid monthly and quarterly, with $31,862,766 of the facility repayable in U.S. funds. Interest rate fixed on $30,162,800 of the facility using interest rate swaps at 5.82% on U.S. dollar swaps and 6.95% on Canadian dollar swaps, plus incentive pricing spread. *(Note 21)*	**$ 34,005,718**	$ –
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 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, 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. *(Note 21)*	**–**	1,767,183
Loans payable, unsecured, repayable in aggregate monthly instalments of $283 (2000 - $283) including interest at 8.0%, due March 2003.	**4,027**	6,971
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 0.0% to 6.5%, repayable in aggregate monthly instalments of $18,828 (2000 - $14,483) including interest, quarterly instalments of $19,908 (2000 - $18,753) plus interest or annual instalments of $31,772 (2000 - $29,929). The notes are due April 2004 to June 2010 and are repayable in U.S. funds.	**1,180,384**	1,298,291
	35,190,129	26,753,502
Current portion	**292,896**	2,981,135
	$ 34,897,233	$ 23,772,367

Included in interest expense is interest on long-term debt of $2,989,196 (2000 - $2,254,863). Effective April 1, 2001, the Company entered into a seven-year loan agreement with a bank syndicate replacing the prior years credit facilities.

8. LONG-TERM DEBT (continued)

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

2002	$ 292,896
2003	3,123,755
2004	5,832,466
2005	5,749,332
2006	5,742,447

9. OBLIGATIONS UNDER CAPITAL LEASES

	2001	2000
Equipment leases, at interest rates ranging from 8.65% to 22.42%, repayable in aggregate monthly instalments of $14,443, due March 2002 to November 2006, secured by equipment with a net book value of $415,892	**$ 467,071**	$ –
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
Vehicle leases, at interest rates ranging from 6.50% to 15.20%, repayable in aggregate monthly instalments of $57,620 due February 2002 to March 2006, secured by vehicles with a net book value of $2,334,437	**2,147,941**	–
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
	2,615,012	1,923,883
Current portion	**864,765**	825,450
	$ 1,750,247	$ 1,098,433

Included in interest expense is interest related to capital leases of $194,086 (2000 - $162,188).

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

2002	$ 864,765
2003	722,300
2004	797,951
2005	196,932
2006	33,064

10. CONVERTIBLE DEBENTURES

	2001	2000
Debt component		
Series I	**$ 1,597,800**	$ 1,620,705
Series II	**31,564**	57,780
	1,629,364	1,678,485
Current portion	**31,564**	–
	$ 1,597,800	$ 1,678,485
Equity component		
Series I	**$ 121,058**	$ 123,153
Series II	**62,895**	165,079
	$ 183,953	$ 288,232

10. CONVERTIBLE DEBENTURES (continued)

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, $25,000 (2000 - $113,000) 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, $128,400 (2000 - $Nil) in Series II 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 $60,141 allocated to the equity component.

Included in interest expense is interest on convertible debentures of $167,445 (2000 - $177,657).

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 un-amortized 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 un-amortized balance.

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

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

During 2001, the Company entered into a sale-leaseback transaction on property previously owned. The gain on the transaction was deferred as unearned income and is being amortized into income over the term of the subsequent lease. The un-amortized amount of the gain at December 31, 2001 was $207,000.

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% 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 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.

Issued

2001	2000		**2001**	2000
13,904,480	13,026,657	Class A (Subordinate Restricted Voting) shares	**$ 18,359,783**	$ 15,505,182
100	100	Class D voting shares	**10**	10
238,000	238,000	Class E voting shares	**1**	1
			$ 18,359,794	$ 15,505,193

During 2001, an additional 937,323 (2000 – 1,246,545) Class A (Subordinate Restricted Voting) shares were issued for a value of $2,883,056 (2000 - $5,133,746) comprised of:

a) Class A (Subordinate Restricted Voting) shares issued for partial consideration in the acquisition of automotive collision repair facilities accounting for 782,073 (2000 – 1,118,395) Class A (Subordinate Restricted Voting) shares valued at $2,723,136 (2000 – $4,985,013);

b) The conversion of Series I and II convertible debentures during the year accounting for 149,650 (2000 – 96,050) Class A (Subordinate Restricted Voting) shares for a value of $153,400 (2000 - $113,000);

c) The exercise of stock options during the year accounting for 5,600 (2000 – 32,100) Class A (Subordinate Restricted Voting) shares valued at $6,520 (2000 - $35,733).

In 2000, 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.

12. SHARE CAPITAL (continued)

Pursuant to this Normal Course Issuer Bid, the Company purchased and cancelled during the year 34,000 (2000 – 33,300) Class A (Subordinate Restricted Voting) shares, having a book value of $47,250 (2000 - $38,961), for an amount of $62,994 (2000 - $81,658). The premium paid to acquire the shares, in the amount of $15,744 (2000 - $42,697) has been charged to retained earnings. At December 31, 2000, the Company had purchased but not cancelled 25,500 Class A (Subordinate Restricted Voting) shares, having a book value of $31,100, for an amount of $49,895. The premium, in the amount of $18,795, had been charged to share capital pending cancellation. During the year ended December 31, 2001, these shares were cancelled and the premium was charged to retained earnings.

In 2001, the Company initiated a second Normal Course Issuer Bid under the same terms and conditions as previously disclosed, for the period commencing on November 27, 2001, and ending on November 26, 2002. Pursuant to this second Normal Course Issuer Bid, no shares were purchased during the year.

Issue costs associated with the issue of these Class A (Subordinate Restricted Voting) shares amounted to $Nil (2000 - $2,848).

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, 2001:

Date Granted	Number of Shares	Exercise Price	Expiry Date
January 28, 1998	438,000	$ 1.01	January 28, 2004
December 31, 1998	112,900	$ 1.55	December 31, 2004
January 25, 1999	156,200	$ 1.61	December 31, 2004
August 19, 1999	75,200	$ 2.00	December 31, 2005
December 9, 1999	20,000	$ 2.85	December 31, 2005
January 5, 2000	247,500	$ 2.50	January 5, 2006
March 20, 2000	25,000	$ 2.70	March 20, 2006
April 27, 2001	204,000	$ 1.76	April 27, 2007

During the year, options have been granted, exercised or withdrawn as follows:

Date Granted	Outstanding December 31, 2000	Granted	Exercised	Withdrawn	Outstanding December 31, 2001	Options Exercisable at year end
January 28, 1998	453,500	–	4,000	11,500	438,000	240,500
December 31, 1998	142,600	–	1,600	28,100	112,900	58,100
January 25, 1999	163,200	–	–	7,000	156,200	57,200
August 19, 1999	92,000	–	–	16,800	75,200	14,400
December 9, 1999	20,000	–	–	–	20,000	8,000
January 5, 2000	248,500	–	–	1,000	247,500	48,700
March 20, 2000	25,000	–	–	–	25,000	5,000
April 27, 2001	–	204,000	–	–	204,000	–
	1,144,800	204,000	5,600	64,400	1,278,800	431,900

13. RELATED PARTY TRANSACTIONS

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

a) $976,103 (2000 - $951,432) 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

13. RELATED PARTY TRANSACTIONS (continued)

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 (2000 - $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) $48,420 (2000 - $44,226) 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.

c) The amount due to C.C Repair is non-interest bearing and has no specific terms of repayment.

14. INCOME TAXES

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

	2001	2000
Capital assets	**$ (135,896)**	$ (634,613)
Intangible assets	**(619,984)**	(227,420)
Other	**(107,265)**	545,028
	$ (863,145)	$ (317,005)

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

	2001	2000
Combined basic Canadian and U.S. Federal, Provincial and State tax rate	**33.53%**	36.23%
Non-deductible goodwill amortization	**3.72%**	2.32%
Non-deductible depreciation expense	**0.57%**	0.79%
Certain transaction costs	**(0.58%)**	(0.69%)
Other	**(14.30%)**	(7.62%)
Effective income tax rate	**22.94%**	31.03%

15. CHANGES IN NON-CASH OPERATING WORKING CAPITAL ITEMS

	2001	2000
Accounts receivable	**$ (1,177,564)**	$ (4,764,993)
Inventory	**(804,297)**	(1,268,439)
Prepaid expenses	**(744,020)**	(519,290)
Accounts payable and accrued liabilities	**2,911,318**	3,017,554
Due to C.C. Collision Repair Management Limited Partnership	**(7,095)**	24,989
Income taxes recoverable	**(512,068)**	(1,400,823)
	$ (333,726)	$ (4,911,002)

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:

Year	Amount
2002	$ 6,504,114
2003	6,142,412
2004	5,489,419
2005	4,668,193
2006	4,367,494

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 $48,000 (2000 - $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

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:

	2001	2000
Sales	**$ –**	$ 801,911
Expenses before management fees to joint venture shareholders	**–**	(807,880)
Net (loss) income before management fees to joint venture shareholders	**$ –**	$ (5,969)
Cash flows resulting from:		
Operating activities before management fees	**$ –**	$ 36,791
Financing activities	**–**	(131,045)
Investing activities	**–**	(13,061)

The comparative figures for 2000 included a 60% interest in its investment in 469006 B.C. Ltd. for the period January 1 to November 30, 2000.

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 years ended December 31, 2001 and 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.

	Revenues		Capital Assets and Goodwill	
	2001	2000	**2001**	2000
Canada	**$ 53,250,625**	$ 48,917,439	**$ 18,074,848**	$ 18,523,889
United States	**80,314,982**	48,132,897	**47,973,554**	32,340,964
Total	**$ 133,565,607**	$ 97,050,336	**$ 66,048,402**	$ 50,864,853

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 predominately 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 $107,402 (2000 - $99,297).

21. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

In the normal course of managing exposure to fluctuations in interest rates, and to market risks, the Company is an end user of various derivative financial instruments that are not reported on the balance sheet. All contracts are over-the-counter traded and are with counter parties that are highly rated financial institutions.

The following table provides the use, notional amount and estimated fair market value of the Company's derivative portfolio at December 31:

	2001		2000	
	Notional Amount (over 5 years)	**Fair Value**	Notional Amount (over 5 years)	Fair Value
Contracts held for cash flow management:				
Interest Rate Contracts –				
Canadian dollar swap	**$ 1,496,000**	**$ (113,769)**	$ 1,784,000	$ (72,500)
U.S. dollar swap	**28,666,800**	**(1,417,310)**	–	–
Total	**$ 30,162,800**	**$ (1,531,079)**	$ 1,784,000	$ (72,500)

No contracts are held for other purposes.

22. EARNINGS PER SHARE

	2001	2000
a) Earnings:		
Net income – Class A (Subordinate Restricted Voting) shareholders	**$ 2,844,922**	$ 2,160,547
Add:		
Interest on Series I convertible debentures	**81,354**	81,017
Interest on Series II convertible debentures	**7,212**	12,961
Net income – Class A (Subordinate Restricted Voting) shareholders – diluted basis	**$ 2,933,488**	$ 2,254,525
b) Number of Class A (Subordinate Restricted Voting) shares:		
Average number of Class A (Subordinate Restricted Voting) shares outstanding	**13,572,958**	12,666,019
Add:		
Potential conversion of Series I convertible debentures	**1,482,400**	1,503,650
Potential conversion of Series II convertible debentures	**154,600**	283,000
Potential exercise of outstanding stock options	**182,280**	391,479
Average number of Class A (Subordinate Restricted Voting) shares outstanding – diluted basis	**15,392,238**	14,844,148
Earnings per share (a) divided by (b)		
Basic	**$ 0.210**	$ 0.171
Diluted	**$ 0.191**	$ 0.152

23. SUBSEQUENT EVENTS

Subsequent to December 31, 2001, the Company acquired for cancellation 9,700 Class A (Subordinate Restricted Voting) shares for a value of $19,568.

Effective January 1, 2002, 3364977 Manitoba Inc. was amalgamated with The Boyd Group Inc.

The Company has initiated a single, company wide defined contribution pension plan for its employees located in the United States. Under this new plan the Company will match employee contributions at a rate of 2% of the employees' salary.

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 Robert 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 and CEO in the development and execution of Boyd's growth strategies.

Wally Comrie is Local Sales Manager for Television Marketing Group of Winnipeg ("TMG"). TMG is the marketing partnership of Global TV and CKY TV. 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, Winnipeg Habitat for Humanity and the Broadcast Association of Manitoba.

Robert Chipman is Chairman and Director of The Megill-Stephenson Company Ltd. and National Leasing Group Inc. Mr. Chipman is a past Director of the Royal Bank of Canada, Manitoba Telecom Services Inc., Buhler Industries Ltd. and Rice Capital Management Plus 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, past Chairman of the Board of Governors for Balmoral Hall School for Girls and Chairman of the Winnipeg Blue Bombers Football 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 Premier's Economic Advisory Council of Manitoba, a member of the Business Council of Manitoba and a member of The Associates, University of Manitoba Faculty of Management. 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

Brad Gechel
Vice-President, Corporate &
Integration Services

Dan Dott
Vice-President,
Finance

Eric Danberg
Vice-President,
Operational Systems

Roland Borsato
Vice-President,
Quality Systems

Bob Michalyshyn
Regional Vice-President,
Manitoba & Saskatchewan
Operations

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

Pat Chassie*
Regional Vice-President,
Alberta South Operations

Stephen Viau*
Regional Vice-President,
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* *Officers of subsidiary companies*

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Ray Chastko, Manager

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Tom Hill, Manager

2405 Pembina Highway
Winnipeg, MB R3T 2H4
Paul Picard, Manager

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Leonard Roy, Manager

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Dan Granger, Manager

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Stewart Akerley, Manager

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Michael Juba, Manager

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Kevin Sharpe, Manager

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

3570 Portage Avenue
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Ryan Kehl, Manager

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

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

* *Regional Office*

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

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Saskatoon, SK S7N 1Y8
Wilf Gareau, Manager

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Dean Menssa, Manager

710 Circle Drive East
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816 Municipal Crescent
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Dave Eberts, Manager

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Gerry Zeck, *Director, Insurance Relations, Alberta*

Service Collision Repair Centres

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Perry Dubchak, Manager

113 Cree Road
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Bill Johnson, Manager

14735 – 119th Avenue
Edmonton, AB T5L 2N9
Terry Richter, Manager

35 Riel Drive
St. Albert, AB T8N 5C6
Duane Bounds, Manager

17511 –103rd Avenue
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Terry Richter, Manager

** Regional Office*

ALBERTA SOUTH LOCATIONS

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Gerry Zeck, *Director, Insurance Relations, Alberta*

Service Collision Repair Centres

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Calgary, AB T2H 0E4
Mark Sturby, Manager

11450 – 29th Street SE
Calgary, AB T2Z 3V5
Morley Barnaby, Manager

1808 – 16 Avenue NE
Calgary, AB T2E 1L2
Orest Mettimano, Manager

3520 – 32nd Street NE
Calgary, AB T1Y 6G7
Harold Harvey, Manager

7668 – 49th Avenue*
Red Deer, AB T4P 1M4
Joan Thompson, Manager

7932 – 49th Avenue
Red Deer, AB T4P 2V6
Barry Epps, Manager

4609 – 49th Avenue
Olds, AB T5H 1C9l
Brent Jensen & Bonnie Phillips, Managers

** Regional Office*

BRITISH COLUMBIA LOCATIONS

Derek Chatterley, *Regional Vice-President, British Columbia Operations*

Paul McFarlane, *General Manager, British Columbia Operations*

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Kevin Stark, Manager

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Chris Remmer, Manager

450 West 7th Avenue
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Russell Frost, Manager

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Diane Peters, *General Manager, CollisionCraft Service Collision Repair Center Operations*
Chris Lunt, *General Manager, AWC Service Collision Repair Center Operations*

Service Collision Repair Centers

B&H Service Collision Repair Center
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Wendell Blakley, Manager

CollisionCraft Service Collision Repair Center
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Maryanne Thompson, Manager

CollisionCraft Service Collision Repair Center
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Woodinville, WA 98072
Mel Hartley, Manager

The Alignment Shoppe
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Matt Mulholland, Manager

Marsten Service Collision Repair Center
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Holly Sampson, Manager

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Chris Lunt, Manager

AWC Service Collision Repair Center
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Jeff Porter, Manager

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Dave Clark, Manager

AWC Service Collision Repair Center
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Dennis Depue, Manager

MIDWEST UNITED STATES LOCATIONS

Charles Zimmer Jr., *Regional General Manager, Midwest United States Operations*

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Ron Lovell, Manager

Service Body Shop
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Wichita, KS 67220
Melissa Koehn, Manager

Service Body Shop
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Melissa Koehn, Manager

Service Body Shop
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Jason Haydock, Manager

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Shawn Weight, Manager

** Regional Office*

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Chris Torres, Manager

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645/649 Middlegate Road
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Don Lanning, Manager

Pro-Tech Autobody
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Don Lanning, Manager

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David Baum, Manager

David Baum, *General Manager, Kingswood Collision and Rush's Collision & Safety Center*

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Bob Solomonson & Cindy Backes, Managers

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Wade Bloedorn, Manager

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

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Keith Green, Manager

All-Consolidated Auto Rebuilders
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Park Forest, IL 60466
John Meyers, Manager

Dave Salan, *General Manager*

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Edward Cleary, Manager

SOUTHEAST UNITED STATES LOCATIONS

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Sam Baird, *General Manager*

Car-Tech Service Collision Repair Center Locations

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David Hoeft, Manager

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Patrick Randolph, Manager

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Lithia Springs, GA 30122
Cary Morris, Manager

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** Regional Office*

LICENSED LOCATIONS

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Ron Thomson & Mike Messner, Managers

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Sam Le & Tony Opdendries, Managers

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Bob Duncan, Manager

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, 2001: 13,904,480

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Annual General Meeting

Wednesday, May 8, 2002
The Fairmont Hotel
Two Lombard Place
Winnipeg, Manitoba R3B 0Y3
5:00 p.m. (CDT)

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