

Camco

ANNUAL INFORMATION FORM

1999

February 24, 2000

Camco

1999 ANNUAL INFORMATION FORM

ITEM 1: INCORPORATION

Camco Inc. ("Camco" or the "Company") was incorporated under the Canada Business Corporations Act on December 6, 1976. The Company has amended its articles of incorporation effective on the dates and for the purposes indicated below.

<u>Effective Date</u>	<u>Purpose</u>
June 3, 1977	Change of registered office location to Metropolitan Toronto
December 19, 1978	Change of French version of name to Compagnie des Appareils Ménagers Canadienne Limitée
June 25, 1981	Change of corporate name from Canadian Appliance Manufacturing Company Limited/ Compagnie des Appareils Ménagers Limitée to Camco Inc.
July 25, 1983	Change of authorized capital to an unlimited number of Common Shares and change of then outstanding Class A, Class B and Class C shares to Common Shares
May 28, 1985	Change of registered office location to the City of Mississauga
May 16, 1987	Subdivision of 10,000,000 outstanding Common Shares on a two for one basis (20,000,000 outstanding)
April 22, 1996	Establish a flexible Board with a minimum of five and a maximum of ten directors.

The Company's registered and principal office is located at 5800 Keaton Crescent, Mississauga, Ontario, L5R 3K2.

ITEM 2: GENERAL DEVELOPMENT OF THE BUSINESS

General

The Company commenced operations on January 1, 1977, with the merger of the major appliance businesses of GSW Inc. ("GSW") and General Electric Canada Inc. ("GE Canada"), a wholly owned subsidiary of the General Electric Company ("GE"), with equity shareholdings in the Company held 60% by GE Canada and 40% by GSW. In 1977, the Company acquired the major appliance operations of Westinghouse Canada Limited, exclusive of the "Westinghouse" name.

As the rights to the "Westinghouse" trademark were not obtained, it was necessary to plan and implement the introduction of another brand for sale to the Westinghouse dealer organization. To this end, the Hotpoint line was reintroduced after a twenty year period in which the brand had not been sold in Canada. Supported by a major advertising sales

promotion, public relations and product training program, the Hotpoint line was successfully launched in Canada with over 90% of the previously franchised Westinghouse retailers accepting Hotpoint products.

History

With its formation in 1977, Camco became Canada's largest major appliance manufacturer. The Company markets its products throughout Canada, principally under the brand names of GE, Hotpoint, Moffat and McClary and sells certain of its products to the Appliance Division of General Electric ("GEA") for distribution in global markets. It also manufactures products for leading department stores for distribution under private trade label brand names. Products marketed consist of refrigerators, ranges, dishwashers, microwave ovens, freezers, and automatic washers and dryers.

The Company recognized at its inception that in order to become competitive in the North American and global markets, it had to rationalize its manufacturing operations. The following table shows the products manufactured at the Company's manufacturing locations at inception in 1977, at the end of 1984 and as of January 2000.

Products Manufactured By Plant

<u>Location</u>	<u>1977</u>	<u>1984</u>	<u>2000</u>
Hamilton, Ontario	ranges refrigerators automatic washers automatic dryers dishwashers	ranges refrigerators	ranges refrigerators
Montreal, Quebec	automatic washers automatic dryers dishwashers ranges refrigerators	automatic washers automatic dryers dishwashers	(5) automatic dryers dishwashers
Orangeville, Ontario	room air-conditioners portable humidifiers dehumidifiers	room air-conditioners portable humidifiers dehumidifiers microwave ovens	(2) (1)
London, Ontario	refrigerators ranges freezers automatic washers automatic dryers	refrigerators	(3)
Weston, Ontario	ranges	(4)	

(1) Microwave ovens manufactured from 1979 to 1988.

(2) Orangeville facility and comfort conditioning business sold in December 1988.

(3) Plant closed December 1987.

(4) Plant closed May 1983.

(5) Automatic washers manufactured from 1977 to 1995.

As part of the rationalization of range production, the Weston, Ontario Plant was closed in May 1983 and range production transferred to the Hamilton Plant, thereby consolidating all range production and most refrigerator production in the Hamilton Plant. By the end of 1984, the manufacture of each of the Company's products had been rationalized in single production facilities, with the exception of smaller sized refrigerators, which continued to be produced in London, Ontario. To complete the manufacturing rationalization, the London Plant was closed in December 1987, with some production transferred to Hamilton and the balance sourced from another Canadian supplier.

In December 1988, the Company sold its Comfort Conditioning business to Fedders Corporation of Peapack, New Jersey. This strategic divestiture enabled the Company to exclusively focus its resources on the further enhancement of its ranges, refrigerators, dishwashers, and laundry products.

In 1993, Camco announced a \$25 million investment in its Montreal plant to produce a new large capacity dryer for the North American market. Concurrent with this announcement was Camco's decision to purchase all washer requirements from GEA. In August 1995, Camco discontinued manufacturing washers in Montreal.

In 1996, Camco announced that it would develop and supply new CustomStyle™ refrigerator products from its Hamilton facility to GEA for North American markets through to the year 2006. Between 1996 and 1999, investments in new refrigerator products, which include capital and expense items, totaled \$65.2 million, of which \$13.3 million was spent in 1999. The first of the new products manufactured in Hamilton was the 18 cubic foot Handi-Hite™ bottom-freezer refrigerator, introduced in February 1998. This product has outperformed original sales expectations in the Canadian and U.S. markets. The first of the new CustomStyle™ refrigerator products was launched across North America during the first quarter of 1999. The CustomStyle™ refrigerator is designed to be installed so that it is flush with kitchen cabinets, similar to much higher priced built-in-style refrigerators. It is the first such top-freezer refrigerator to be built in North America. Additional model variations of the CustomStyle™ are expected to be developed for launch beyond 1999.

To date, export sales volumes have been significantly slower than anticipated. However, based on the extensive research that was done at the time the project was conceived and on consumer feedback, it is expected that the CustomStyle™ refrigerator will contribute to Camco's export business over the longer term. Updated market research will be completed in 2000 to guide future development of this product.

In January 11, 1999, Camco signed an agreement with the T. Eaton Company to acquire certain assets related to the After Sales Service business. The agreement gives Camco the right to Eaton's customer database for the purpose of soliciting warranty contract renewals effective January 1999, and to purchase parts inventory in March 1999. In addition, Eaton's has contracted Camco to service appliances and electronics, which are covered by Eaton's warranty programs. The agreement added approximately \$6 million of sales revenue to Camco and, although less than expected due to Eaton's insolvency, it contributed positively to the expansion of the In-home Service Repair business.

In March 1999, a new supply agreement was reached to supply GEA with certain models of dryers through to December 31, 2003. This follows the 1993 dryer supply agreement that

would have expired in May 1999. Under this new agreement, GEA will purchase a guaranteed minimum quantity of 2.7 million dryers with an anticipated sales value in excess of \$600 million during the term of the agreement.

In November 1999, Camco had concluded a strategic sourcing agreement to purchase 16 and 18 cubic foot top freezer refrigerators from a non-affiliated supplier. This new agreement will be implemented by July 2002 and will continue to June 2012. The implementation of this agreement coincides with the anticipated effective date of new Canadian energy standards for these products, which are currently manufactured in the Hamilton facility. Camco will instead focus future energy investments on its niche North American refrigerators including the 12 cubic foot top freezer, HandiHite™ and CustomStyle™ products.

Shareholdings and Shareholders Agreement

In November 1983, each of GSW and GE Canada, through a public secondary offering, sold 15% of its shares, leaving GE Canada with 51% of the outstanding Common Shares and GSW with 34%. In April 1986, GSW reduced its holdings in Camco to 20%.

At the time of the public distribution of Camco shares, an agreement (the "Shareholders Agreement") dated June 20, 1983 was entered into among GE Canada, GSW and the Company.

The following is a summary of the principal terms of the Shareholders Agreement:

1. Board of Directors

Representation on the Board is provided for as follows:

- (a) so long as GSW owns at least 20% of the issued Common Shares in the capital of Camco, the Board will consist of ten directors, of which GE Canada shall be entitled to nominate and elect six persons to Camco's Board and, GSW shall be entitled to nominate and elect four persons to Camco's Board, and
- (b) if GSW owns 10% to 20% of the issued Common Shares, GSW shall be entitled to nominate and elect two persons to Camco's Board, and
- (c) if GSW owns 5% to 10% of the issued Common Shares, GSW shall be entitled to nominate and elect one person to Camco's Board, and
- (d) so long as GSW owns at least 10% of the issued Common Shares, GSW shall be entitled to membership on any committee of the Board of the Company.

2. Senior Officers

The Chairman of the Board shall be a nominee of GSW so long as it owns at least 20% of the issued Common Shares of Camco. The President and Chief Executive Officer shall be a nominee of GE Canada.

3. Auditors

GE Canada has the right to require the Company to appoint one firm of auditors to be selected by GSW (so long as GSW owns at least 20% of the issued Common Shares of Camco) from three firms of national reputation nominated by GE Canada.

4. Restriction On Share Issue

So long as GSW owns at least 20% of the issued Common Shares of the Company, Camco shall not create or issue any shares without the joint approval of GE Canada and GSW.

5. Other Corporate Matters

So long as GSW owns at least 20% of the issued Common Shares of the Company, Camco shall not take any proceedings with a view to the dissolution, winding-up or termination of the corporate existence of Camco without the joint approval of GE Canada and GSW. Camco is to provide to GSW such information, data and statements as GSW may reasonably request relating to the business, financial affairs and operations of Camco. So long as GSW owns at least 10% of the issued Common Shares of Camco, the general by-law shall not be amended or repealed without the prior written consent of GE Canada and GSW. The dividend policy of Camco as set out in the Shareholders Agreement and passed by a resolution of the Directors is as described in Item 4.

In January 1995, Mr. Stoddard was appointed by the Board as President. GE Canada, only in respect of Mr. Stoddard's appointment, elected not to exercise its right to nominate the President.

On October 30, 1995, Mr. Barford and other GSW nominee directors resigned from the Board. Nathaniel C. Stoddard was appointed by the Board of Directors as Chairman of the Board. In response to these changes, the Board announced the appointment of M. James Evans to the Board of Directors effective October 31, 1995.

In 1996, the Shareholders Agreement was amended to permit the Board to determine the number of directors to be elected unless GE Canada or GSW notifies the Company that compliance with the Shareholders Agreement is required. Two independent directors, Messrs. Hantho and Keenan were elected to the Board of Directors in August 1996. At the present time, GSW has nominated Messrs. Crawford, Hantho, Harrigan and Keenan as Directors. Each of those individuals is currently a director of Camco and has previously been nominated by Camco's Board. GE Canada continues to support fully those individuals for election as directors and values the commitment they have made to Camco. GE Canada has nominated Messrs. Darrell, Gillespie and Sedita. Messrs. Evans and Fleck are nominees of the Camco Board.

In December 1999, Mr. Stoddard became Non-Executive Chairman of the Board and Mr. Fleck was appointed by the Board as President and C.E.O. GE Canada, only in

respect of Mr. Fleck's appointment, elected not to exercise its right to nominate the President.

In February 2000, Mr. Stoddard resigned as Director and Non-Executive Chairman of the Board and Mr. Hantho was appointed as Chairman of the Board of Camco.

ITEM 3: NARRATIVE DESCRIPTION OF THE BUSINESS

Principal Products and Services

The Company markets a full line of major home appliances. The Company's principal products and services are as follows:

Kitchen Products: Refrigerators, ranges, dishwashers, microwave ovens and freezers

Laundry Products: Automatic washers and dryers

Customer Services: Parts and labour for repair of major appliances and service contracts

The following table provides a breakdown of Camco's 1999 and 1998 sales by principal products and services:

<u>Principal Products and Services</u>	<u>As Percentage of Sales</u>	
	1999	1998
Kitchen Products	53	53
Laundry Products	36	36
Customer Services	<u>11</u>	<u>11</u>
	<u>100</u>	<u>100</u>

Revenues in 1999 of \$638.3 million for both products and services surpassed last year's record level of \$565.3 million. Despite this sales growth, Camco's net income was \$5.5 million compared to prior year's level of \$9.0 million. Earnings was negatively impacted by after tax start up costs associated with the launch of CustomStyle™ refrigerator of \$2.5 million and restructuring charges related to changes in salaried employment of \$2.8 million.

The Company operates principally in the North American market, and must manufacture and sell products that are competitive in price, quality and features to succeed in this competitive industry. In 1999, the Canadian appliance industry grew 8.7% after a modest growth rate of 1.1% in 1998. According to the data provided by the Canadian Appliance Manufacturers Association, shipments of major core appliance products in the retail segment, measured in units sold, grew by 8.7% while 1998 growth was 1.1%. The builder/developer segment of the Canadian market also showed improved growth of 8.7% versus growth of 1.2% in 1998. According to the data provided by the Association of Home Appliance Manufacturers, the U.S. appliance industry shipments of core products, measured in units sold, increased 7.2% over 1998 while the 1998 growth was 9.9%.

Camco's export sales are principally to its largest customer, the Appliance Division of General Electric Company (GEA). Sales of dryers, dishwashers and the new CustomStyle refrigerator contributed to an all time high export sales of \$264.2 million, up 49% from the 1998 level of \$177.7 million. Exports now represent 41% of Camco's total sales, compared to 31% in 1998.

Camco's domestic sales in appliances and consumer services decreased from \$387.6 million in 1998 to \$374.1 million in 1999. Camco's domestic appliance sales of core products decreased by 7% as continuing price reductions by appliance importers have resulted in lower prices for Camco's products and erosion in Camco's market share. Camco believes that these appliance importers are engaging in unfair trading and as such submitted a complaint to the Anti-Dumping and Countervailing Directorate of the Canada Customs and Revenue Agency (CCRA) as discussed below.

Sales from consumer services include the extended warranty business and In-home service repair and parts business. As a result of Camco purchasing the right to Eaton's customer database for the purpose of soliciting contract renewals, and Camco being contracted by Eaton's to service appliance and electronic products that were covered by Eaton's warranty programs, revenues increased by \$7.4 million in 1999 compared to 1998. The agreement with Eaton's to service their warranty programs was terminated when Eaton's became insolvent.

Markets

Canadian

The Company markets its major appliances in Canada through two channels of distribution: the retail channel, which accounted for approximately 84% of industry units sold in 1999, and the builder/developer channel, which accounted for the balance. The retail channel is comprised of a mix of major department stores, national and regional chains, mass merchandisers, buying groups, and independent dealers. The Company is a major participant in the retail channel through its own brands and as a supplier of private brands to leading retailers. The Company, through a multi-brand sales force, sells directly to retailers from its factory locations and through its three distribution warehouses in Montreal, Hamilton, and Edmonton. In addition to the retail channel coverage, the Company has a separate sales force which covers the builder/developer channel. The predominant products sold in this channel continue to be refrigerators and ranges.

Camco operates a Consumer Services business across Canada, providing renewal parts and labour service capabilities using approximately 158 factory-trained service technicians. This business also operates through a network of over 650 independent service depots and self-servicing dealers, which are authorized to perform service repairs on Camco products. The Company provides continuous training and updated information to technicians in order to provide effective service to Canadian consumers. Supporting this business is a state-of-the-art, centralized call-taking, dispatch and parts order centre located in Moncton, New Brunswick. Renewal parts are also sold through a sales force, to independent servicers, distributors, and retailers, and directly to consumers through nine Camco parts stores located across Canada.

Camco's operates an extended warranty business, *Service Protection Plus*, through independent retailers. The *Service Protection Plus* program offers consumers extended warranties for parts and labour on major appliances and electronic products.

Export

Export sales are almost entirely to GE. Sales to GE represent 39% (29% in 1998) of Camco's total sales.

Competition

The appliance industry began to change dramatically and permanently in 1989 with the introduction of the Free Trade Agreement with the United States. The market dynamics further changed in 1993 with the signing of the North American Free Trade Agreement. Competitors with manufacturing facilities in Canada responded by closing Canadian plants and rationalizing product lines back into their U.S. facilities. Camco is now the only appliance manufacturer, marketer, and servicer with a significant manufacturing presence remaining in Canada.

The Free Trade Agreement and continued harmonization of product standards between Canada and the U.S. has had a significant impact on the appliance industry. Duties on imported products from the U.S. are no longer applicable. Consequently, competitors have reduced their production capacity in Canada and replaced that production with finished products imported from U.S.-based parent companies. This only reinforces Camco's strategic vision of being competitive in the North America and global markets.

Raw Materials

During 1999, Camco continued to strive for material productivity to offset rising costs. Through its unique partnering with GE, the Company is able to leverage the global buying power of GE for a majority of its purchased material and component requirements. Camco has established strategic relationships with key suppliers who are often integrated into the Company's manufacturing operations and participate in decisions relating to quality, design, and new materials. The Company believes its procurement policies and the number of suppliers are satisfactory and anticipates that these sources will be able to meet future supply requirements.

Patents and Trademarks

Camco and GE Canada entered into a technology, trademark and patent licensing agreement and Camco and GE have entered into a trademark licensing agreement, both dated January 1, 1977. During 1993, GE and GE Canada agreed with Camco to extend the minimum term of the agreements from 1998 to January 1, 2006 and to provide that the agreements may only be terminated on not less than six years notice. Under the terms of the agreements Camco has been granted rights in the Canadian patents and other technology and intellectual property of GE and GE Canada relating to the design, manufacture, and production of major appliances subject to a non-exclusive license retained by GE and GE Canada. Camco is also the licensee of the GE and Hotpoint trademarks for use in connection with the sale of major appliances in Canada. The Moffat and McClary

trademarks are owned by the Company.

The compensation payable by Camco to GE Canada pursuant to these agreements is an annual fee equal to one percent of the net sales billed for all major appliances other than large capacity dryers, the CustomStyle™ refrigerator and service parts.

Research and Product Development

The Company spent \$4 million in 1999 compared to \$5.3 million in 1998 on research and development activities, including process technology, materials application and product development. In addition, the Company benefits from research and development carried out by GE and its affiliates with application to major appliance products.

Year 2000

During the two years preceding the millennium changeover Camco replaced its aging and outdated hardware and software systems portfolios with an integrated Enterprise Information Technology. The implementations required for Y2K readiness were completed and fully tested during 1999.

During the second half of 1999, a comprehensive Y2K business continuity plan was developed covering all business processes and functions. A detailed vendor readiness assessment program was developed and Camco's buyers negotiated inventory commitments with many unique vendors and developed contingency supply plans for its high-risk suppliers. The Company did not have to execute any of these plans.

These system initiatives required approximately \$10.3 million of investment and fully prepared Camco for Y2K with the result that there were no disruptions to the business with the calendar changeover to the year 2000. Additional investment is required to complete the Enterprise strategy and move into the e-commerce world more fully.

Employees

The Company employed 2,628 people in Canada at the close of 1999. Approximately 81% of Camco's employees are represented by 5 unions under 20 individual contracts, expiring at various dates in 2001. Both union and management are committed to working together to ensure that Camco succeeds in meeting its future objectives of operational excellence in performance, productivity and quality.

Properties

The following table sets forth the location, size, and use of major buildings owned or leased by the Company.

<u>Location</u>	<u>Owned or Leased</u>	<u>No. of Square Feet</u>	<u>Use</u>
Hamilton, Ontario	Owned	946,615	Manufacturing Plant, Appliance Distribution Whse.
Montreal, Quebec	Owned	734,200	Manufacturing Plant
Mississauga, Ontario	Leased to May 31, 2004	61,647	Corporate Office and National Service Parts Distribution Centre
Montreal, Quebec	Leased to April 30, 2003	117,644	Appliance Distribution Whse., Sales Office and Consumer Service Branch
Moncton, New Brunswick	Leased to Sept 30, 2000 Leased to March 31, 2007	6,548 14,490	National Call Centre

The manufacturing facilities in Hamilton and Montreal are in good condition, well maintained, and are suitable and adequate to carry on the Company's business. In addition, the Company has leased premises for Customer Service branches and sales offices across Canada.

Environment

The Company has policies in place to address compliance with environment, health and safety laws and regulations. An environment, health and safety update is made to the Audit Committee on a semi-annual basis and reported to the Board. Estimated capital expenditures for environmental control facilities for 1998 and 1999 were not material, and the Company believes compliance with existing environmental protection requirements will have no material effect on earnings or the competitive position of the Company.

In late 1997, the U.S. Department of Energy communicated a new refrigerator energy efficiency standard that will come into effect on July 1, 2001. The mandate is a 30% improvement over current energy usage levels. This will require manufacturers to invest in production technologies to achieve the energy savings. These requirements have already been addressed in the CustomStyle™ refrigerator product.

It's anticipated that the Canadian Government will adopt similar energy legislation for refrigerator products sold in this country. Natural Resources Canada have proposed an energy bill that would become effective in July 2001 for all refrigerators sold in Canada, Camco has made a request to extend the effective date beyond 2001 for 16 and 18 cubic

foot top freezer refrigerators. Camco is developing plans for product compliance for its niche North American refrigerator products that include the 12 cubic foot top freezer, the HandiHite™ and the CustomStyle™. Energy compliance investments for these products are expected to be in the \$16 million range over the next two years. Camco will phase out production of the 16 and 18 cubic foot top freezer products in the Hamilton facility by July 2002, and will begin sourcing these products. The amount of future restructuring costs related to this phase-out will be influenced by the sales and production levels of the other products manufactured in Hamilton at that time.

ITEM 4: SELECTED FINANCIAL INFORMATION

	<u>Five Year Data</u> <u>ENDED DECEMBER 31</u> (\$000, except for per share data)				
	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
Sales of Products and Services	\$638,336	\$565,305	\$539,791	\$506,665	\$451,280
Income (Loss) from Operations	\$9,770	\$14,680	\$12,771	\$4,808	\$(18,735)
Net Income (Loss)	\$5,544 ⁽²⁾	\$8,979	\$8,063	\$2,629	\$(13,881) ⁽¹⁾
Return on Sales	0.9%	1.6%	1.5%	0.5%	(3.1)%
Cash Flow from Operations	2,320	\$20,965	\$17,380	\$26,090	\$5,943
Capital Assets	\$94,004	\$85,314	\$68,601	\$55,837	\$50,967
Total Assets	\$232,705	\$192,375	\$167,962	\$155,903	\$147,631
Current Ratio	0.93	0.91	1.07	1.09	1.08
Return on Shareholders' Equity	7.5%	11.9%	11.6%	4.2%	(23.2)%
Total Number of Employees	2,628	2,291	2,084	2,175	1,949
PER SHARE DATA					
Earnings (Loss) per Share	\$0.28	\$0.45	\$0.40	\$0.13	\$(0.69)
Dividends Paid Per Share	\$0.18	\$0.16	\$0.05	\$0.00	\$0.07
Book Value	\$3.86 ⁽³⁾	\$3.76	\$3.47	\$3.12	\$2.99
Closing Market Value	\$4.10	\$4.30	\$4.75	\$4.50	\$3.45

(1) 1995 Net Earnings include restructuring costs of \$2.2 million.

(2) 1999 Net Earnings include restructuring costs of \$2.8 million.

(3) As a result of the change in accounting for Employee Future Benefits that was adopted on January 1, 2000, the book value per share at January 1, 2000 will be \$1.23.

Quarterly Results

(\$000 except for per share data)	<u>Sales</u>	<u>Net Income</u>	<u>Per Share</u>
March 1998	108,172	(991)	(0.05)
June 1998	146,342	2,246	0.11
September 1998	148,794	2,191	0.11
December 1998	161,997	5,533	0.28
March 1999	114,543	(1,394)	(0.07)
June 1999	177,009	1,997	0.10
September 1999	159,557	2,036	0.10
December 1999	187,227	2,905	0.15

Dividend Policy

As authorized by the Board of Directors on June 28, 1983, the Company dividend policy was established as follows:

<u>Ratio of Average Debt to Average Equity</u>	<u>Dividends (as percentage of earnings of immediately preceding fiscal year)</u>
Greater than 1-1/2 to 1	20%
Equal to or less than 1-1/2 to 1, but greater than 1 to 1	30%
Equal to or less than 1 to 1	40%

Average debt is defined as the average of the twelve fiscal month-end amounts of funds borrowed for the purpose of financing the business in accordance with generally accepted accounting principles. Funds borrowed for purposes of financing the business include bank indebtedness, current and long-term bank borrowings, loans from shareholders, commercial paper, bonds, notes, debentures and loans from the federal and provincial governments or their agencies for capital or research purposes). Average equity is defined as the average of the twelve fiscal month-end amounts of shareholders' equity in accordance with generally accepted accounting principles.

On February 27, 1998, the Board of Directors amended the Dividend Policy to include in the definition of average debt the amount of receivables sold under the securitization agreement. This amendment is consistent with standards customarily required by credit agencies for debt/equity covenants.

On February 24, 1999, the Board of Directors declared an annual cash dividend of \$0.18 per share, payable on March 31, 1999 to shareholders of record as at the close of business on March 17, 1999.

On February 24, 2000, the Board of Directors declared an annual cash dividend of \$0.06 per share, payable on March 31, 2000 to shareholders of record as at the close of business on March 17, 2000.

ITEM 5: MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Reference is made to the section entitled "Management Discussion and Analysis" on pages 4 through 9 of the 1999 Annual Report to the Shareholders, which section is incorporated herein by reference.

ITEM 6: MARKET FOR SECURITIES

Camco's common shares are listed on The Toronto Stock Exchange under the trading symbol COC.

ITEM 7: DIRECTORS AND OFFICERS

The names of the Directors and Officers of the Company, their municipality of residence, the positions held by the Directors within the Company, the principal occupations of the Directors and the period during which each Director has exercised his mandate are shown below. Directors are elected each year at the Annual Meeting of Shareholders to hold office until the next annual meeting or until their successors are elected or appointed. The Company's Board of Directors does not have an executive committee.

DIRECTORS

	<u>Name and Municipality of Residence</u>	<u>Principal Occupation</u>	<u>Director Since</u>
* °	Purdy Crawford, O.C. Toronto, Ontario	Chairman AT&T Canada (Communication Company)	1992
△	Bracken P. Darrell Louisville, Kentucky	Product General Manager Laundry GE Appliances, General Electric Company (Diversified International Company)	1999
	M. James Evans Mississauga, Ontario	Senior Vice President – E-business Camco Inc. (Major Appliance Manufacturer)	1995
	James R. Fleck Oakville, Ontario	President and Chief Executive Officer Camco Inc. (Major Appliance Manufacturer)	2000
△	Robert T.E. Gillespie Mississauga, Ontario	Chairman and Chief Executive Officer General Electric Canada Inc. (Diversified International Company)	1994
△ ° *	Charles H. Hantho, C.M. Islington, Ontario	Chairman Camco Inc. and Dofasco Inc. (Major Appliance Manufacturer and Steel Manufacturer)	1996

DIRECTORS:

	<u>Name and Municipality of Residence</u>	<u>Principal Occupation</u>	<u>Director Since</u>
Δ °	Kenneth W. Harrigan, O.C. Oakville, Ontario	Past Chairman Ford Motor Company of Canada, Limited (Automobile Manufacturer and Distributor)	1992
* °	Patrick J. Keenan Toronto, Ontario	Chairman and Chief Executive Officer Keewhit Investments Ltd. (Investment Management Company)	1996
*	Stephen J. Sedita Louisville, Kentucky	Vice President - Finance GE Appliances, General Electric Company (Diversified International Company)	1995
*	Member of the Audit Committee		
Δ	Member of the Human Resource and Corporate Governance Committee		
°	Member of the Special Committee		

OFFICERS

<u>Name & Municipality of Residence</u>	<u>Office in the Company</u>
Kevin Breen Burlington, Ontario	Vice President – Purchasing
M. James Evans Mississauga, Ontario	Senior Vice President – E-business
James R. Fleck Oakville, Ontario	President and Chief Executive Officer
Allan R. Holden Mississauga, Ontario	Vice President – Information Technology
Rene Lecours Varenes, Quebec	Vice-President – Operations Montreal
Irene W. Lum, C.A. Mississauga, Ontario	Comptroller and Secretary
Michael J. McCrea Ancaster, Ontario	Vice President - Products
Richard H. Rye Mississauga, Ontario	Vice President - Financial Operations
Giuseppe Santoro Burlington, Ontario	Vice President – Operations Hamilton
Sami Sidhom Dorval, Québec	Senior Vice President – Operations and Technology
Robert I. Slessor Etobicoke, Ontario	Treasurer
Kevin E. Smith Mississauga, Ontario	Senior Vice President – Sales & Marketing
Nicola J. Webb Oakville, Ontario	Vice President - Human Resources

During the last five years, all of the Directors and Officers of Camco have been employed by the companies or firms in the positions indicated above, except the following:

- Kevin Breen, who was the Product Leader on Laundry, Dishwasher and Microwave oven Products of Camco from 1989 to 1997. In 1997, he was appointed to the position of Vice President, Purchasing and Export Sales, Camco. In October 1998, he became Vice President, Consumer Service, Camco. In January 2000, Mr. Breen was appointed Vice President, Purchasing, Camco.

- Purdy Crawford who was Chairman and Chief Executive Officer of Imasco Limited from 1991 until May 1995 when he became Chairman of Imasco Limited. Mr. Crawford ceased to be Chairman of Imasco in February 2000. In 1999, he became Chairman of AT&T Canada.
- M. James Evans, who was the Business Manager, Power Control and Conversion, General Electric Canada Inc. from 1991 to August 1994. Mr. Evans held the position of Vice President, Finance and Information Technology, Camco in August 1994 until he was appointed Chief Financial Officer, Camco in May 1997. In February 2000, Mr. Evans was appointed Senior Vice President – E-business, Camco.
- James R. Fleck, who was Manager, Marketing & Business Development, GE Canada until March 1994 and General Manager, GE Specialty Chemicals until January 1997. From January 1997 to January 1998, he held the position of Product General Manager – Refrigeration, GE Appliances. In January 1998, he was named Chief Operating Officer – Commercial, Camco. In December 1999, Mr. Fleck became President and Chief Executive Officer of Camco. In February 2000, Mr. Fleck was appointed a Director of Camco.
- Robert T.E. Gillespie, who was Executive Vice President of GE Canada from 1983 to 1992, Vice Chairman in 1992, and Chairman and Chief Executive Officer in 1993. From October 1994 until January 1995 Mr. Gillespie was also the President and Chief Executive Officer of Camco.
- Kenneth W. Harrigan, who was Chairman and Chief Executive Officer of Ford Motor Company of Canada, Limited from October 1990 until October 1992 when he became Past Chairman.
- Charles H. Hantho, who was Chairman, President and Chief Executive Officer of Dominion Textile in October 1990, Chairman and Chief Executive Officer in September 1994 and Chairman from 1995 to 1997. Mr. Hantho also serves as Chairman and a Director of Dofasco Inc. In February 2000, Mr. Hantho was appointed Chairman of Camco.
- Allan R. Holden, who was Director, Information Systems for Laidlaw Inc. from 1990 to 1995. Mr Holden held the position of Manager Information Technology, Camco in October 1995 until he was appointed Vice-President Information Technology, Camco in November 1999.
- Patrick J. Keenan, who was a Director of Canada Development Investment Corporation from 1984 to 1994 and Chairman of Canada Development Investment Corporation from 1991 to 1994. Mr. Keenan has held the position of Chairman and Chief Executive Officer of Keewhit Investments Limited since 1975.
- Rene Lecours, who has held various management positions in Quality, Materials, and Production in the Montreal Operations, Camco from 1990 to 1998. He was Operations Manager, Camco from September 1998 until he was appointed General Manager, Montreal Operations, Camco. In February 2000, Mr. Lecours was

appointed Vice President Operations Montreal, Camco.

- Irene W. Lum, who was Manager Corporate Accounting and Taxation, Camco in January 1995 until she became Comptroller, Camco in February 1996. In November 1999, she was appointed Comptroller and Secretary of the Board.
- Michael J. McCrea who was Product Manager, Cooking Products, Camco in 1995 and Product Manager, Cooking and Refrigeration Products, Camco from 1996 to 1999. In March 1999, he was appointed Vice President Products, Camco.
- Richard H. Rye, who was Manager Finance Appliance Product, Camco until May 1997 when he was appointed to Vice President Financial Operations, Camco.
- Giuseppe Santoro, who was General Manager, Montreal Operations, Camco until August 1999 when he was appointed Vice President, Manufacturing Montreal, Camco. In December 1999, Mr. Santoro became Vice President Operations Hamilton, Camco.
- Sami Sidhom, who has held the position of Vice President, Production and Technology, Quebec, Camco from May 1992 until he was promoted to Vice President Operations, Quebec, Camco in May 1995. In November 1997, he was appointed Senior Vice President, Investment Technology, Six Sigma and Quebec Relations, Camco. In August 1999, Mr. Sidhom was appointed Senior Vice President, Operations and Technology, Camco.
- Stephen J. Sedita, who was General Manger of Finance, GE Appliances, General Electric Company from March 1993 until he assumed his current position as Vice President, Finance, GE Appliances, General Electric Company in April 1996.
- Robert I. Slessor, who was Manager Finance, Strategic Programs, Microwaves and Complementary Products, Camco from March 1993 until he became Manager Treasury Services, Camco in February 1995. In April 1997, he was appointed Treasurer of Camco.
- Kevin E. Smith, who has held the position of Product Manager, Range, Camco from July 1990 until July 1995, when he became General Manager, Marketing, Camco. In May 1997, Mr. Smith was appointed Vice President, Marketing, Camco. In February 2000, Mr. Smith was appointed Senior Vice President Sales and Marketing, Camco.
- Nicola J. Webb who was Manager Human Resource Manufacturing, GE Silicones from October 1993 to July 1996. She was appointed Vice President, Human Resources, Camco in July 1996.

As of February 24, 2000, the Directors and Officers of the Company, as a group, beneficially owned, directly or indirectly or exercised control or direction over 60,958 Common Shares or 0.3% of Common Shares of the Company.

ITEM 8 - ADDITIONAL INFORMATION

Additional information, including Directors and Officers remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the Company's management proxy circular for the May 12, 2000 Annual Meeting of Shareholders and additional financial information is provided in Camco's December 31, 1999 financial statements. Copies of both these documents are available upon request from the Secretary of the Company at 175 Longwood Road S., Hamilton Ontario, L8N 3Y5.