

Subscription List Will Open on Monday, August 14, and Will Close on or Before 3 p.m. Monday, August 21

CAWTHRA MULLOCK & CO. OWN AND OFFER AT

98½

\$1,250,000 of 6% First Mortgage Sinking Fund Thirty Year Gold Bonds of

CANADA BREAD COMPANY, LIMITED

(Incorporated under the Laws of the Province of Ontario.)

The same to carry with them a bonus of 25 per cent. of Common Stock

DATED August 1st, 1911.

DUE August 1st, 1941.

Principal and semi-annual interest February 1st and August 1st, payable at any branch of the Union Bank of Canada or Metropolitan Bank.

Denominations: \$100, \$500 and \$1,000

Bonds issued in coupon form, with privilege of registration of principal.

TRUSTEE:

Guardian Trust Co., Limited, Toronto

CAPITAL ISSUED AND FULLY PAID UP

6% FIRST MORTGAGE THIRTY-YEAR SINKING FUND GOLD BONDS.....	\$1,250,000
7% NON-CUMULATIVE PREFERRED STOCK, ISSUED AND FULLY PAID UP.....	\$1,250,000
COMMON STOCK, ISSUED AND FULLY PAID UP.....	2,500,000

BOARD OF DIRECTORS:

CAWTHRA MULLOCK, Toronto, President.
Director Imperial Bank of Canada; Director Confederation Life Association.
MARK BREDIN, Toronto, Vice-Pres. and Gen. Manager.
President Bredin Bread Co., Limited.
GEORGE WESTON, Toronto, Model Bakery.
President George Weston, Limited.

H. C. TOMLIN, Toronto, Toronto Bakery.
W. J. Boyd, Winnipeg, Boyd's Bakery.
ALFRED JOHNSTON, Toronto.
Of W. E. Johnston & Co., Ltd., Wholesale Clothing.
E. H. LASCHINGER, Toronto, Secretary.
Formerly Assistant Deputy Postmaster-General of Canada.

BANKERS:

Union Bank of Canada - - - - - The Metropolitan Bank.

TRANSFER AGENTS AND REGISTRARS:

Guardian Trust Co., Limited

AUDITORS:

Price, Waterhouse & Co., Montreal and Toronto; Oscar Hudson & Co., Toronto.

HEAD OFFICE: Toronto. PLANTS AT: Montreal, Toronto, Winnipeg.

PURPOSES OF COMPANY

Canada Bread Company, Limited, has acquired as going concerns the plants and businesses of the Bredin Bread Company, Limited, of Toronto; Geo. Weston (The Model Bakery), of Toronto; H. C. Tomlin (Toronto Bakery), of Toronto; Stuarts, Limited, of Montreal, and W. J. Boyd, of Winnipeg. In the case of Boyd, the real property is excluded, but a parcel of vacant land in the City of Winnipeg, about two acres in extent, is substituted. The first three companies have been in operation for almost thirty years, and the last two for close to twenty years. They have all grown from small beginnings till they are now among the largest in their respective fields in Canada. The combined output of the companies at present is, approximately, 600,000 loaves of bread per week. It is intended, by extensions to the present plants and the erection or acquisition of new plants, to forthwith increase the output of the Company to one million loaves per week, with other extensions to follow in the other large cities at a later date.

POSITION OF BONDS

For full particulars, reference may be made to our prospectus, which is accompanied by a letter from Mr. Mark Bredin, the Vice-President and General Manager of the Company. We draw attention to the following points:

1. The present \$1,250,000 of 6 per cent. First Mortgage Sinking Fund Thirty-year Gold Bonds are secured by Trust Deeds to Guardian Trust Company, Limited, Toronto, constituting a first mortgage on all the property, real, personal, or mixed, now owned or hereafter acquired by the Company, as more fully described in said Trust Deeds. In the Trust Deeds it is specially stipulated that of the \$1,000,000 cash being placed in the treasury, the sum of \$500,000 shall be held by the Trustee, to be used only in the redemption of bonds or in investment in additional plants and real estate, thus increasing the fixed assets under the mortgage. A Sinking Fund of 1 per cent. is operative from August 1st, 1911.
2. The assets of the companies already taken over stand in excess of all liabilities and without any allowance for good-will, trade marks, etc., at \$841,428.70. There has also been placed in the treasury \$1,006,221.08 of cash, which, besides furnishing funds for the purchasing or construction of additional plants, will provide ample working capital.
3. The earnings of the present plants, as per certificate of Messrs. Price, Waterhouse & Co., after allowing for depreciation, amounted from April 30th, 1910, to April 30th, 1911, to \$107,016.14, to which may be added \$35,000, being interest at the rate of 3½ per cent. on \$1,000,000 cash in the treasury pending its employment on extensions. It is estimated that, with the economies to be effected, the

earnings on these plants will shortly amount to \$180,000 a year, or nearly two and one-half times the bond interest.

4. With the extensions that it is proposed to effect forthwith, the Company, by the end of the its first fiscal year, should be in a position to show earnings of \$260,000 a year, equal to three and one-half times the interest requirements on the bond issue, and with all the additional plants that will be provided with the cash now in the treasury, the earnings should steadily gain to over \$530,000 a year, or more than seven times the bond interest requirements.

5. The Company, with its plants situated in the larger cities of the different provinces of Canada, will be in an exceptionally favorable position to benefit by the marked economies that will be possible in manufacturing and, more especially, in distribution, and all the time will be turning out a more uniform product under the most sanitary conditions.

6. The practical men who have made the different companies particularly successful will be identified with the management and direction of the new Company. Mr. Mark Bredin, who is probably one of the most successful bread manufacturers in Canada, will occupy the position of Vice-President and General Manager, while the services of the heads of four of the different companies taken over and of an efficient representative of the fifth have been assured to the Company.

SUBSCRIPTIONS

Subscriptions should be made on the form accompanying the prospectus, and are payable as follows:—

- 10 per cent. on par value on application, and
- 88½ per cent. on par value on allotment.
- 98½ per cent.

In instalments as follows, in which case interest at the rate of 6 per cent will be charged from date of allotment:—

- 10 per cent. on par value on application.
- 13½ per cent. on par value on allotment.
- 25 per cent. on par value on 1st September, 1911.
- 25 per cent. on par value on 1st October, 1911.
- 25 per cent. on par value on 1st November, 1911.
- 98½ per cent.

OR

Upon final payment by the subscriber for all the bonds allotted, the Guardian Trust Company, Limited, will deliver the bonds, together with fully paid-up shares of the Common Stock of the Company equivalent at par to 25 per cent. of the par value of bonds allotted. Application will be made to list the bonds and common stock on the Toronto Stock Exchange. Copy of the trust mortgage and legal opinion of A. M. Stewart, and certificates of Price, Waterhouse & Co., and Canadian-American Appraisal Co., are open to inspection at the offices of the Guardian Trust Company, Limited, Toronto. Prospectus and application forms may be obtained from and subscriptions should be forwarded to

GUARDIAN TRUST COMPANY, LIMITED, TORONTO

ANY BRANCH OF UNION BANK OF CANADA and THE METROPOLITAN BANK

OR TO

CAWTHRA MULLOCK & COMPANY

(MEMBERS TORONTO STOCK EXCHANGE),

12 KING STREET EAST - - - - - TORONTO.