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**82- SUBMISSIONS FACING SHEET**

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REGISTRANT'S NAME

Harris Steel Group, Inc

\*CURRENT ADDRESS

4120 Yonge St, Suite 404  
Toronto, Ontario M2P 2B8  
Canada

\*\*FORMER NAME

PROCESSED

\*\*NEW ADDRESS

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FINANCIAL

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12/31/03

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ANNUAL REPORT 2003

## DESCRIPTION OF THE BUSINESS

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**H**arris Steel Group Inc. operates as a steel trading business, purchasing steel from mills and processing that steel into a variety of products for sale to its customers. Through its subsidiaries, the company is engaged in the fabrication and placing of concrete reinforcing steel; the production and marketing of epoxy-coated reinforcing steel; the design and installation of concrete post-tensioning systems; the manufacture and distribution of wire and wire products, welded wire mesh and cold finished bar; and the manufacture and distribution of heavy industrial steel grating, aluminum grating and expanded metal.

The company serves all of Canada, and the eastern, central and western United States.

Harris became a public company in 1967 and has paid dividends since 1972.

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### **Annual Meeting**

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All shareholders are cordially invited to attend the annual meeting on Tuesday, June 22, 2004, at 2:00 p.m. in the Casson Meeting Room, Hilton Toronto Hotel, 145 Richmond St. West, Toronto, Ontario.

# FINANCIAL HIGHLIGHTS



Years ended December 31

(Dollars in thousands except per share amounts)

	2003	2002
<b>Operating results</b>		
Sales	\$516,742	\$528,315
Earnings for the year	4,507	24,677
Return on sales	0.9%	4.7%
<b>Per Share</b>		
Earnings for the year	\$ 0.67	\$ 3.66
Dividends	.24	.24
Shareholders' equity	30.83	30.28
Average shares outstanding	6,684,364	6,741,079
Shares outstanding – at year-end	6,656,080	6,725,480
<b>At year-end</b>		
Total assets	\$273,583	\$275,957
Current debt	7,708	18,163
Shareholders' equity	205,179	203,618
Total debt/equity ratio	.04:1	.09:1
Current ratio	3.5:1	3.3:1
Number of employees	1,508	1,586
Number of shareholders – Class A	142	142
– Class B	100	104

# REPORT TO THE SHAREHOLDERS

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2003 can now be seen to have been a transition year. Earnings for the year are down by more than 80%. This reduction was caused by tighter margins due to more competitive selling prices along with higher steel costs from our supplier mills, and a sharp rise in the Canadian dollar.

In the five previous years demand and selling prices remained relatively stable but a world oversupply of steel enabled us to parlay our enormous buying power into large cost savings.

In the following year, 2004, we are seeing a substantial uptick in demand at the same time that massive quantities of raw material and finished steel are being sucked into the insatiable vortex of skyrocketing industrial and infrastructure expansion in China.

2003 was the transition year between the previous years' oversupply condition that allowed us to reduce costs and the present (and probably, future) years of excess of demand over supply that will produce increased selling prices.

The rapid worldwide change in the fundamentals of the steel market from oversupply to supply shortages has been driven primarily by the explosive expansion of the Chinese economy. China is determined that its 1.3 billion inhabitants will enjoy the same standard of living as those living in the developed countries.

In 2003 China consumed 25% of the world's steel production (vs. about 15% in the US). Last year China produced about 24% of the world's steel. Both production and consumption are forecast to increase at a rapid rate, at least through 2010.

But, there are constraints on this gigantic steamroller. The raw materials needed to feed this expansion – scrap iron, iron ore, coke, non-ferrous metals – are all in short supply and there has been a precipitous rise in their price. That includes finished steel.

Although there will be volatile movements up and down, it is our belief that the underlying trend for years to come will be steel shortages and corresponding cost and price increases. We believe that, in general, this will produce a favorable trading environment for our company.

The Board is proposing to a Special Meeting of Shareholders that the present A and B shares be consolidated into a single class of Common Shares and these shares will be split 4 to 1. Each new share will have a single vote.

The Board has declared a June dividend of \$.24 per share on the present A and B shares. After the stock split this will become a quarterly rate of \$.06 share on each of the new 4 for 1 shares.

They have also decided to discontinue the Normal Course Issuer Bid.

The purpose of these actions is to begin a process that will eventually improve the marketability of the shares for all our shareholders.

Present signs for the US and most of the developed world's economies are positive. But Canada will likely underperform the US. Nevertheless, we are very optimistic about the future prospects of our main products. The manifest deficiency of public capital in the US and Canada is producing a burgeoning demand for new hospitals, highways, oil and gas pipelines, fossil fuel and atomic power plants as well as hydro-electric projects and liquid-natural gas terminals. The outstanding skills of our employees and our peerless ability to buy steel will allow us to play a major role in all of these infrastructure markets.

As of the beginning of this year we have sold 50% of our American reinforcing steel products operations to Nucor, who are the largest and most successful steel company in the US. We are the managing partner.

This is a marriage of the best reinforcing steel contractor and the largest and best supplier of reinforcing steel in the US.

I am immensely proud that our management and employees have once again surpassed the competition in producing profits in the transition year of 2003. Our staff are motivated by a culture that focuses on profits because it is our belief that only profits provide long-term value for the shareholders. The proof of that is the performance of the stock since we went public 37 years ago. The price has jumped to 101 times its original issue price.

For all of this, the Board and the Shareholders want to assure all of our employees that their efforts are appreciated.



Milton E. Harris, O.C.  
Chairman of the Board and C.E.O.  
Toronto, Canada, May 11, 2004

# MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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Management is responsible for preparing the accompanying consolidated financial statements and for assessing their objectivity and integrity. Management believes that the consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and fairly report the company's financial position and results of operations. The consolidated financial statements include amounts that are based upon estimates and judgements which management believes are reasonable under the circumstances. The consolidated financial statements have been audited by PricewaterhouseCoopers LLP in accordance with Canadian generally accepted auditing standards, providing independent verification of management's presentation of the company's financial position. Management has established the necessary system of internal controls designed to ensure that transactions are authorized, assets are safeguarded and proper records are maintained. Harris Steel Group Inc. has an Audit Committee of which all of the members are neither officers nor employees of the company. The Committee meets during the year and has full and unrestricted access to the company's auditors to ensure the integrity of management's financial reporting and the adequacy of the system of internal controls.

A handwritten signature in black ink that reads "M. Harris".

Milton E. Harris, O.C.  
Chairman of the Board and C.E.O.

A handwritten signature in black ink that reads "D. Deighton".

Douglas Deighton, C.A.  
Treasurer

Toronto, Canada, March 26, 2004

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## AUDITORS' REPORT TO THE SHAREHOLDERS OF HARRIS STEEL GROUP INC.

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We have audited the consolidated balance sheets of Harris Steel Group Inc. as at December 31, 2003 and 2002 and the consolidated statements of earnings, retained earnings and cash flows for the years then ended. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated 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, 2003 and 2002 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP".

Chartered Accountants

Toronto, Canada, March 26, 2004

# CONSOLIDATED BALANCE SHEETS

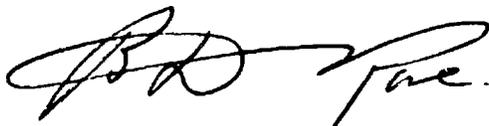
As at December 31, 2003 and 2002

<b>Assets</b>	<b>2003</b>	<b>2002</b>
<b>Current Assets</b>		
Accounts receivable .....	\$ 115,515,798	\$ 110,892,902
Inventories (note 2) .....	99,277,442	111,058,554
Income and other taxes recoverable .....	6,183,319	3,933,227
Prepaid expenses and deposits .....	2,781,644	2,418,909
	<b>223,758,203</b>	<b>228,303,592</b>
<b>Property, Plant and Equipment</b> (note 3) .....	<b>49,825,239</b>	<b>47,653,537</b>
	<b>\$ 273,583,442</b>	<b>\$ 275,957,129</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness (note 4) .....	\$ 7,707,747	\$ 18,163,121
Accounts payable and accrued liabilities .....	51,313,857	47,563,655
Future income taxes (note 5) .....	5,413,000	3,378,000
	<b>64,434,604</b>	<b>69,104,776</b>
<b>Future Income Taxes</b> (note 5) .....	<b>3,970,000</b>	<b>3,234,000</b>
	<b>68,404,604</b>	<b>72,338,776</b>
<b>Shareholders' Equity</b>		
Capital Stock (note 6) .....	14,039,544	14,098,568
Retained Earnings .....	191,139,294	189,519,785
	<b>205,178,838</b>	<b>203,618,353</b>
	<b>\$ 273,583,442</b>	<b>\$ 275,957,129</b>

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS



Milton E. Harris



Barrie D. Rose

# CONSOLIDATED STATEMENTS OF EARNINGS

For the Years Ended December 31, 2003 and 2002



	2003	2002
<b>Sales</b> .....	\$ 516,741,731	\$ 528,315,425
<b>Cost of Sales</b> .....	463,855,300	453,214,497
	52,886,431	75,100,928
<b>Expenses</b>		
Selling and administrative .....	25,613,813	29,837,793
Foreign exchange losses .....	10,577,578	411,415
Interest .....	136,999	1,054,255
Depreciation .....	4,664,848	4,573,049
	40,993,238	35,876,512
<b>Earnings Before Income Taxes</b>	11,893,193	39,224,416
<b>Provision For (Recovery Of) Income Taxes (note 5)</b>		
Current .....	4,615,378	14,909,248
Future .....	2,771,000	(361,710)
	7,386,378	14,547,538
<b>Earnings For the Year</b> .....	\$ 4,506,815	\$ 24,676,878
<b>Earnings Per Share</b> .....	\$ 0.67	\$ 3.66

# CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

For the Years Ended December 31, 2003 and 2002

	2003	2002
<b>Balance – Beginning of Year</b>	\$ 189,519,785	\$ 166,744,722
<b>Earnings for the year</b> .....	4,506,815	24,676,878
	194,026,600	191,421,600
<b>Excess of the purchase price over the issued value of the company's shares purchased (note 6)</b> .....	(1,283,187)	(284,712)
<b>Dividends (note 6)</b> .....	(1,604,119)	(1,617,103)
<b>Balance – End of Year</b> .....	\$ 191,139,294	\$ 189,519,785

# CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2003 and 2002

	2003	2002
<b>Cash Provided By (Used In):</b>		
<b>Operating Activities</b>		
Earnings for the year . . . . .	\$ 4,506,815	\$ 24,676,878
Depreciation . . . . .	4,664,848	4,573,049
Future income taxes – long-term . . . . .	736,000	(73,690)
Foreign exchange gain on bank indebtedness held in foreign currency . . . . .	(2,573,182)	(148,990)
(Increase) decrease in accounts receivable . . . . .	(4,622,896)	2,274,829
Decrease (increase) in inventories . . . . .	11,781,112	(21,029,330)
Increase in income and other taxes recoverable . . . . .	(2,250,092)	(8,360,968)
Increase in prepaid expenses and deposits . . . . .	(362,735)	(127,143)
Increase (decrease) in accounts payable and accrued liabilities . . . . .	3,750,202	(10,075,627)
Increase (decrease) in future income taxes – current . . . . .	2,035,000	(288,020)
	17,665,072	(8,579,012)
<b>Investing Activities</b>		
Net additions to property, plant and equipment . . . . .	(6,836,550)	(3,713,455)
<b>Financing Activities</b>		
Purchase of shares of the company . . . . .	(1,342,211)	(335,300)
Dividends . . . . .	(1,604,119)	(1,617,103)
(Decrease) increase in bank indebtedness . . . . .	(10,455,374)	14,095,880
	(13,401,704)	12,143,477
Foreign exchange gain on bank indebtedness held in foreign currency . . . . .	2,573,182	148,990
Cash – Beginning and End of Year . . . . .	\$ –	\$ –
<b>Supplemental Cash Flow Disclosures:</b>		
Interest paid . . . . .	\$ 172,816	\$ 1,035,379
Income taxes paid . . . . .	\$ 6,371,719	\$ 23,401,606

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2003 and 2002



## 1. Summary of Significant Accounting Policies

### Basis of consolidation

The consolidated financial statements include the accounts of the company and all of its subsidiaries.

### Measurement uncertainty

The preparation 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Revenue recognition

The company recognizes sales revenue when products are shipped and collection is reasonably assured.

### Foreign exchange

The company applies the temporal method of accounting for the translation into Canadian dollars of foreign currency amounts and the accounts of its U.S. subsidiaries, all of which are integrated operations. Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date and non-monetary assets and related depreciation and amortization are translated at historical exchange rates. Revenues and expenses, other than depreciation and amortization, are translated at the average exchange rate for the year.

Foreign exchange gains and losses on transactions during the year and on the year-end translation of the accounts are reflected in earnings.

### Inventories

The company values its inventory at the lower of cost and market. Cost is determined on a first-in, first-out basis. Market is defined as replacement cost for raw materials and net realizable value for work-in-process and finished goods.

### Property, plant and equipment

Property, plant and equipment are recorded at the lower of net recoverable amounts and historical cost less accumulated depreciation. The company depreciates its land improvements, buildings, data processing equipment and machinery and equipment on a straight-line basis and its mobile equipment on a declining balance basis at the following rates:

Land improvements	- 7½%
Buildings	- 2½%
Machinery and equipment	- 7½%
Data processing equipment	- 33⅓%
Mobile equipment	- 30%

Gain or loss on disposal of individual assets is reflected in earnings in the year of disposal.

The company reviews the carrying value of its property, plant and equipment on a periodic basis, by assessing the non-discounted future net cash flows. Should the estimated non-discounted future net cash flows be less than the carrying value, a reduction is made to the carrying value with a corresponding charge to earnings.

### Income taxes

The company follows the asset and liability method of accounting for income taxes. Under this method, temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the consolidated balance sheets are used to determine future income tax liabilities or assets. Income tax rates and laws that are expected to apply when the temporary differences are expected to reverse are used to calculate future income tax liabilities and assets. Future income tax assets are recorded in the consolidated financial statements if realization is considered more likely than not.

### Earnings per share

Earnings per share are calculated on 6,684,364 (2002 – 6,741,079) shares, being the weighted average number of shares outstanding during the year. There are no dilutive securities, such as stock options, within the capital structure of the company.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2003 and 2002

## 2. Inventories

	2003 \$	2002 \$
Raw materials and work-in-process	82,376,297	91,885,849
Finished goods	16,901,145	19,172,705
	<u>99,277,442</u>	<u>111,058,554</u>

## 3. Property, Plant and Equipment

2003	Cost	Accumulated depreciation	Net book value
	\$	\$	\$
Land	3,512,309	-	3,512,309
Land improvements	2,708,728	1,485,754	1,222,974
Buildings	19,083,780	5,427,655	13,656,125
Machinery and equipment	67,614,015	37,935,088	29,678,927
Data processing equipment	3,542,116	2,884,064	658,052
Mobile equipment	5,865,025	4,768,173	1,096,852
	<u>102,325,973</u>	<u>52,500,734</u>	<u>49,825,239</u>

2002	Cost	Accumulated depreciation	Net book value
	\$	\$	\$
Land	3,355,244	-	3,355,244
Land improvements	2,625,806	1,349,324	1,276,482
Buildings	18,877,218	5,057,663	13,819,555
Machinery and equipment	62,176,831	34,950,678	27,226,153
Data processing equipment	3,353,513	2,640,408	713,105
Mobile equipment	5,722,367	4,459,369	1,262,998
	<u>96,110,979</u>	<u>48,457,442</u>	<u>47,653,537</u>

## 4. Bank Indebtedness and Financial Instruments

Bank borrowings are repayable on demand and bear interest at or less than bank prime lending rates. Inventories and accounts receivable are pledged as collateral for the company's bank indebtedness.

The carrying values of all of the company's financial instruments (cash on deposit, short-term bank loans, accounts receivable and accounts payable) approximate their fair values due to their short-term nature.

## 5. Income Taxes

The components of future income tax liabilities are as follows:

	2003 \$	2002 \$
<b>Current</b>		
Holdbacks and amounts not due on contracts	6,908,000	5,192,000
Other temporary differences	(1,495,000)	(1,814,000)
	<u>5,413,000</u>	<u>3,378,000</u>
<b>Long-term</b>		
Property, plant and equipment	4,329,000	4,153,000
Other temporary differences	(359,000)	(919,000)
	<u>3,970,000</u>	<u>3,234,000</u>

The provision for income taxes reflects an effective tax rate which differs from the statutory tax rate. A reconciliation of the two rates is as follows:

	2003 %	2002 %
Canadian federal income tax rate	37.1	37.7
Tax effect of U.S. federal income tax rate	1.8	(1.2)
Provincial and state taxes net of federal deductions	6.0	3.9
Statutory tax rate	44.9	40.4
Add (deduct) the tax effect of -		
Manufacturing and processing profits deduction	(10.5)	(4.9)
Non-taxable foreign exchange losses	23.0	0.2
Federal surtax	1.8	0.8
Capital taxes	1.8	0.6
Future income tax enacted rate changes	2.0	-
Other	(0.9)	-
Effective tax rate	<u>62.1</u>	<u>37.1</u>

## 6. Capital Stock and Dividends

	2003	2002
	\$	\$
<b>Capital stock -</b>		
Authorized -		
An unlimited number of Class A non-voting shares		
An unlimited number of Class B shares		
100 common shares		
Issued and outstanding -		
4,419,830 Class A non-voting shares (2002 - 4,434,630 shares)	13,469,421	13,514,524
2,236,250 Class B shares (2002 - 2,290,850 shares)	570,123	584,044
	<u>14,039,544</u>	<u>14,098,568</u>

### Voting rights

Class A non-voting shares are not entitled to vote unless the company has failed to pay dividends totalling 2½¢ per Class A non-voting share for eight consecutive fiscal quarters. Thereafter, each Class A non-voting share is entitled to one vote until, in any fiscal quarter, a dividend of 2½¢ per Class A non-voting share has been paid or declared and set aside for payment.

Each Class B share is entitled to one vote at all meetings of the shareholders.

### Dividends

Class A non-voting shares are eligible to receive a preferential, non-cumulative, quarterly dividend of 2½¢ per share.

Class B shares are not eligible to receive a dividend in any quarter until a dividend of 2½¢ per share has been paid on the Class A non-voting shares. Thereafter, Class B shares are eligible for a dividend of up to 2½¢ per share in any quarter.

Dividends in excess of 2½¢ per share in any quarter will be paid equally on the Class A non-voting shares and Class B shares.

During 2003, the company paid dividends of 24¢ (2002-24¢) per issued Class A non-voting share and Class B share.

### Take-over protection

The Class A non-voting shares become convertible into Class B shares on a share-for-share basis after the holders of a majority of the outstanding Class B shares accept a bona fide offer, which must, by reason of applicable securities laws or stock exchange by-laws, regulations or policies, be made to each holder of Class B shares whose last recorded address is in the jurisdiction to which the relevant requirement applies.

### Issuer Bids

During the year, the company made market purchases under normal course issuer bids of 14,800 Class A non-voting shares and 54,600 Class B shares for cancellation, for cash consideration of \$1,342,211 (for an average of \$19.34 per share). The excess of the purchase price over the issued value of the shares purchased, which totalled \$1,283,187, was charged to retained earnings.

During 2002, the company made market purchases under a normal course issuer bid of 16,600 Class A non-voting shares for cancellation, for cash consideration of \$335,300 (for an average of \$20.20 per share). The excess of the purchase price over the issued value of the shares purchased, which totalled \$284,712, was charged to retained earnings.

## 7. Segment Disclosures

The company operates as a steel trading business in Canada and the United States.

Geographic information is as follows:

Sales	Canada	United States	Total
	\$	\$	\$
2003	<u>350,101,999</u>	<u>166,639,732</u>	<u>516,741,731</u>
2002	<u>341,124,220</u>	<u>187,191,205</u>	<u>528,315,425</u>

In 2003, the company's Canadian business had direct sales to customers in the United States of approximately \$99 million (2002 - \$106 million). Aggregate direct sales to United States customers amounted to approximately \$265 million (2002 - \$293 million).

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2003 and 2002

## 7. Segment Disclosures (continued)

### Property, Plant and Equipment

	Canada \$	United States \$	Total \$
2003	<u>40,393,861</u>	<u>9,431,378</u>	<u>49,825,239</u>
2002	<u>37,717,564</u>	<u>9,935,973</u>	<u>47,653,537</u>

## 8. Commitments

The company is required to make aggregate future minimum lease payments of \$7,514,739 under operating leases that have non-cancellable lease terms in excess of one year at December 31, 2003. Annual lease payments during the next five fiscal years and aggregate payments thereafter are as follows:

	\$
2004	2,141,849
2005	1,932,839
2006	1,234,078
2007	1,018,240
2008	706,351
Thereafter	481,382

## 9. Contingent Liabilities

The company's subsidiaries have operations throughout the United States and Canada and in the normal course of business, the company and its subsidiaries are named as defendants in various legal actions. Although the outcomes are uncertain and the amount of losses, if any, cannot be determined at this time, the company is of the opinion that actions outstanding will not result in a material adverse effect on the company.

## 10. Guarantees

The company has provided indemnities to its surety underwriters who have issued performance and payment bonds to certain customers of the company.

Bonds are issued in the ordinary course of business by a surety on behalf of the company for the duration of contracts for products and services. Claims against a bond can be made in the event the company should fail to perform or make payments in accordance with contractual terms. In the event the underwriting surety is required to pay a claim against a bond, then the company has guaranteed repayment back to the surety. No collateral has been provided for the guarantees.

At December 31, 2003, the company's surety underwriters had issued bonds guaranteed by the company with a total outstanding value of approximately \$67 million. Bonds are issued at the inception of contractual obligations and the value of any potential claim against a bond would be limited to the extent of unfulfilled obligations, if any, at the time of the claim. Accordingly, in practical terms, the unfulfilled obligations of the company are typically substantially less than the outstanding face value of bonds issued.

## 11. Subsequent Event

On February 10, 2004, the company sold a 50% share interest in its United States reinforcing steel products operations to Nucor Corporation, for cash consideration of U.S. \$21 million. Additional proceeds of up to U.S. \$6 million may be payable to the company over a five-year period, dependent upon the results of operations during that period. The company will record a net gain of between Cdn. \$6 to \$8 million in the first quarter of 2004 on this transaction. To the extent that additional proceeds are realized, they will be included in earnings, net of applicable taxes, in the period when earned.

The company will maintain management control of, and continue to operate and consolidate, its United States reinforcing steel products operations.

# FINANCIAL SUMMARY



(Dollars in thousands except per share amounts)

	2003	2002	2001	2000	1999
<b>Operating results</b>					
Sales	\$ 516,742	\$ 528,315	\$ 558,712	\$ 603,249	\$ 505,254
Earnings for the year	4,507	24,677	29,885	37,426	32,456
Return on sales	0.9%	4.7%	5.3%	6.2%	6.4%

## Per Share

Earnings for the year	\$ 0.67	\$ 3.66	\$ 4.43	\$ 5.54	\$ 4.65
Dividends	.24	.24	.24	.24	.24
Shareholders' equity	30.83	30.28	26.83	22.64	17.32
Average shares outstanding	6,684,364	6,741,079	6,742,080	6,755,157	6,973,932
Shares outstanding – at year-end	6,656,080	6,725,480	6,742,080	6,742,080	6,858,880

## At year-end

Total assets	\$ 273,583	\$ 275,957	\$ 254,002	\$ 270,621	\$ 214,119
Working capital	159,324	159,198	135,688	115,393	90,984
Current ratio	3.5:1	3.3:1	2.9:1	2.0:1	2.0:1
Property, plant and equipment	\$ 49,825	\$ 47,654	\$ 48,513	\$ 40,301	\$ 30,761
Future income taxes – long-term	3,970	3,234	3,308	3,067	2,929
Current debt	7,708	18,163	4,067	42,933	35,791
Long-term debt	-	-	-	-	-
Shareholders' equity	205,179	203,618	180,894	152,627	118,816
Total debt/equity ratio	.04:1	.09:1	.02:1	.28:1	.30:1

## STOCK MARKET TRADING INFORMATION

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The company's shares are listed on The Toronto Stock Exchange as Harris A (HSG.A) and Harris B (HSG.B).

### Class A shares 2003

	High	Low	Shares traded
First quarter	24.50	20.00	20,170
Second quarter	20.50	18.00	32,362
Third quarter	21.00	18.25	11,051
Fourth quarter	22.00	19.25	23,310
Year	24.50	18.00	86,893
Year 2002	33.00	20.00	163,142

### Class B shares 2003

	High	Low	Shares traded
First quarter	21.80	19.00	8,270
Second quarter	19.50	17.00	52,630
Third quarter	21.00	18.25	9,300
Fourth quarter	21.00	19.00	10,781
Year	21.80	17.00	80,981
Year 2002	31.00	19.50	17,378



**Harris Steel Group Inc.**  
**Corporate Office:**  
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Fax: (416) 590-9560

**Harris Rebar**  
318 Arvin Avenue,  
Stoney Creek, Ontario L8E 2M2  
Telephone: (905) 662-0611

**Laurel Steel**  
5400 Harvester Road,  
Burlington, Ontario L7L 5N5  
Telephone: (905) 681-6811

**Fisher & Ludlow**  
750 Appleby Line, P.O. Box 5025,  
Burlington, Ontario L7R 3Y8  
Telephone: (905) 632-2121

**Harris Rebar Boston Inc.**  
45 Kings Highway,  
Rochester, Massachusetts 02576  
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**Harris Rebar Seattle Inc.**  
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Port of Tacoma, Washington 98421  
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**Harris/Arizona Rebar Inc.**  
2101 West Jackson Street,  
Phoenix, Arizona 85009  
Telephone: (602) 254-0091

**Harris Salinas Rebar Inc.**  
355 South Vasco Road,  
Livermore, California 94550  
Telephone: (925) 373-0733

**Harris Rebar Atlantic Inc.**  
1700 Riverside Drive,  
Bethlehem, Pennsylvania 18015  
Telephone: (610) 882-1401

## Investor information

**Registrar and transfer agent**  
CIBC Mellon Trust Company  
P.O. Box 1, 320 Bay Street  
Toronto, Ontario M5H 4A6  
Telephone: (416) 643-5000

**Counsel**  
Goodmans LLP

**Auditors**  
PricewaterhouseCoopers LLP

**Bankers**  
Royal Bank of Canada  
RBC Centura Bank

## Corporate officers

**Milton E. Harris, O.C.**  
Chairman of the Board  
and C.E.O.

**John Harris, M.B.A.**  
President and C.O.O.

**Douglas Deighton, C.A.**  
Treasurer

**Robert Roe, C.A.**  
Secretary

## Operating executives

**John Harris, M.B.A.**  
President  
Harris Rebar

**Derek Price**  
President  
Fisher & Ludlow

**DeLane Pate**  
President  
Laurel Steel

## Board of directors

**Milton E. Harris, O.C.**  
Chairman of the Board  
and C.E.O.  
Harris Steel Group Inc.  
Director since 1953

**Barrie D. Rose, F.C.A.**  
Chairman and C.E.O.  
Androcan Inc.  
Director since 1973

**James W. Leech**  
Senior Vice-President,  
Merchant Banking  
Ontario Teachers' Pension Plan Board  
Director since 1982

**Bruce Timmerman, C.A.**  
Retired  
Director since 1989

**Geno F. Francolini, C.M., F.C.A., L.L.D.**  
President and C.E.O.  
Xenon Capital Corporation  
Director since 1992

**David E. Harris, L.L.B.**  
Barrister & Solicitor  
Director since 1994

**The Honourable J. Judd Buchanan,  
P.C., O.C., M.B.A., L.L.D.**  
President  
Rundle Investments Ltd.  
Director since 2002

**Sheldon Aaron**  
President  
Aaron Construction Limited  
Director since 2003

**John Harris, M.B.A.**  
President and C.O.O.  
Harris Steel Group Inc.  
Director since 1989

**DeLane Pate**  
President  
Laurel Steel  
Director since 1999

## Audit committee

Barrie D. Rose, F.C.A.  
James W. Leech  
Bruce Timmerman, C.A.  
Geno F. Francolini, C.M., F.C.A., L.L.D.  
The Honourable J. Judd Buchanan,  
P.C., O.C., M.B.A., L.L.D.

