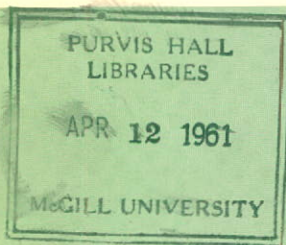
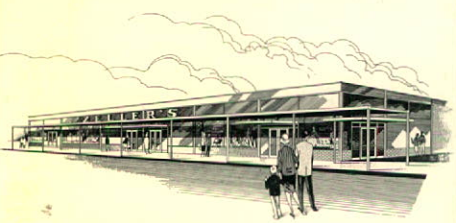




1960 ANNUAL REPORT

YEAR ENDED JANUARY 31, 1961



ZELLER'S

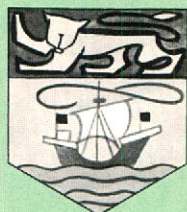
RETAILERS TO THRIFTY CANADIANS



80 STORES - HALIFAX TO VANCOUVER



NOVA SCOTIA



NEW BRUNSWICK



QUEBEC



ONTARIO

NOVA SCOTIA

Dartmouth (S.C.)
Halifax
Halifax, Bayer's Road (S.C.)
New Glasgow
Truro

NEW BRUNSWICK

Bathurst
Fredericton
Moncton
Saint John

QUEBEC

Chicoutimi
Côte St. Luc (S.C.)
Duvernay (S.C.)
Granby
Jonquière
Montreal, Snowdon District
Montreal, Ontario E.
Montreal, Domaine (S.C.)
St. Laurent (S.C.)
St. Michel (S.C.)
Quebec, 575 St. Joseph E.
Quebec, St. John St.
Quebec, 274 St. Joseph E.
Sherbrooke
Sherbrooke (S.C.)
Sorel
Trois-Rivières
Ville LaSalle (S.C.)

ONTARIO

Barrie
Belleville
Brantford
Chatham
Cornwall
Don Mills (S.C.)
Fort William
Guelph
Hamilton, James St.
Hamilton, Ottawa St.
Kingston
Kingston (S.C.)
Lindsay
London
Merritton (S.C.)
North Bay
Oshawa
Oshawa (S.C.)
Ottawa
Ottawa (S.C.)
Peterborough
Port Arthur
Port Arthur (S.C.)
Port Credit (S.C.)
St. Catharines
Sarnia
Scarborough, Cedarbrae (S.C.)
Scarborough, Ellesmere Road (S.C.)
Scarborough, Golden Mile (S.C.)
Sudbury
Sudbury (S.C.)
Toronto, Bloor St. W.

ONTARIO (Cont'd)

Toronto, Lawrence Plaza (S.C.)
Toronto, Six Points (S.C.)
Toronto, Dufferin Plaza (S.C.)
Trenton
Willowdale (S.C.)
Windsor

MANITOBA

Winnipeg
Winnipeg (S.C.)

SASKATCHEWAN

Moose Jaw

ALBERTA

Calgary
Calgary (S.C.)
Edmonton
Edmonton (S.C.)

BRITISH COLUMBIA

Burnaby (S.C.)
New Westminster
North Surrey (S.C.)
Vancouver

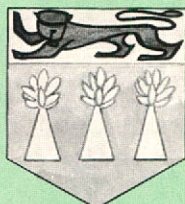
FEDERAL STORES

Lachine, Que.
Montreal, Que.
Rosemount, Que.
Ste. Hyacinthe, Que.

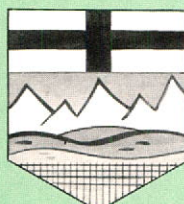
Shopping Centres Marked (S.C.)



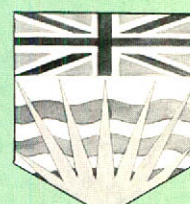
MANITOBA



SASKATCHEWAN



ALBERTA



BRITISH COLUMBIA

Shown on the Front and Back Covers are sketches of the New Stores opened in 1960. Reading in descending order from left to right:

Front Cover: Merritton, Ont.; Duvernay, Que.; Don Mills, Ont.; Cedarbrae, Ont.

Back Cover: Ville LaSalle, Que.; North Surrey, B.C.; Trenton, Ont.; Halifax, N.S.; Truro, N.S.; Sherbrooke, Que.; Burnaby, B.C.

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3	Report to Shareholders
6	Financial Statements
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12	Store Operations Department
13	Personnel Department
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Directors

ALLAN A. MAGEE, C.B.E., Q.C.
Chairman
Montreal, Que.

E. LEONARD BOULTBEE
Vancouver, B.C.

RALPH B. BRENNAN
Saint John, N.B.

JOHN G. CURTIN
Montreal, Que.

WILFRID GAGNON, C.B.E.
Montreal, Que.

JAMES G. KENDRICK
Montreal, Que.

PETER KILBURN
Montreal, Que.

LOUIS C. LUSTENBERGER
New York, N.Y.

R. JAMES PINCHIN
Midland, Ont.

EDWARD STALEY
New York, N.Y.

EDGAR F. TOLHURST
Montreal, Que.

Officers

ALLAN A. MAGEE, C.B.E., Q.C.
Chairman of the Board

JAMES G. KENDRICK
President

JOHN G. CURTIN
Treasurer

EDMUND G. COLLARD
Secretary

Corporate Data

HOME OFFICE:
5115 Trans Island Avenue
Montreal, Que.

TRANSFER AGENTS:
National Trust Co. Limited
Montreal and Toronto

REGISTRAR:
The Royal Trust Company,
Montreal and Toronto

ZELLER'S LIMITED

"Retailers to Thrifty Canadians"

Walter P. Zeller 1890-1957 - Founder



FINANCIAL HIGHLIGHTS

	YEAR ENDED JAN. 31	
	1961	1960
SALES	\$56,995,209	\$53,340,543
Earnings before Income Taxes	3,949,048	3,839,117
Income Taxes	1,800,000	1,830,000
Per Common Share	2.40	2.44
Net Earnings	2,149,048	2,009,117
Per Common Share	2.59	2.40
Dividends Paid		
Preferred	205,190	211,535
Per Share	2.25	2.25
Common	1,050,000	900,000
Per Share	1.40	1.20
Total Salaries and Wages	9,434,376	8,699,588
Other Employee Benefits	769,340	736,201
Total Compensation and Benefits	10,203,716	9,435,789
Percent of Sales Dollar	17.90%	17.69%
Contributions to Charity and Education	84,000	88,000
Merchandise Inventories	7,688,311	5,779,292
Working Capital	11,917,825	12,340,702
Fixed Assets (Net Book Value)	11,055,104	9,955,589
Common Shareholders' Equity	15,818,679	14,886,891
Per share of Common Stock	21.09	19.85
Number of Stores at Year-End	80	69

PRESIDENT'S REPORT TO THE SHAREHOLDERS



This is the Twenty-ninth Annual Report of Zeller's Limited and its subsidiary companies. It covers their operations for the year ended January 31, 1961 and includes their comparative Consolidated Financial Statements and the Report of the Auditors, Messrs. Ross, Frewin and Co.

SALES

Sales for the year reached the all-time high of \$56,995,209, an increase of \$3,654,666 or 6.9% over the preceding year.

Both comparable and non-comparable stores produced a sales increase for the year.

Shopping Centre stores continued to produce a larger share of the Company's sales. In 1960, they contributed 23.9% of sales, compared to 19.6% in 1959.

EARNINGS AND DIVIDENDS

Net earnings for 1960 amounted to \$2,149,048 or \$2.59 per share of Common Stock on 750,000 Shares outstanding, after payment of Preferred Dividends. This compares with \$2,009,117 or \$2.40 per share on the same number of shares outstanding for the previous year. The 1960 net earnings represent a new all-time high, exceeding by 7% the previous high of \$2,009,117 set in 1959.

The results for the entire year can be summed up in this manner: first half, fair; second half, good, with the month of December, in spite of a slow start, being especially strong both as to sales and profits.

Dividends of \$205,190 were paid on the 4½% Preferred Shares. Dividends paid on both Preferred and Common Shares accounted for 58% of the Company's Net Earnings. The sum retained for use in the Company's business amounted to \$893,858 compared to \$897,582 the previous year.

In the year under review, dividends on the Common Stock, comprising 750,000 shares, amounted to \$1,050,000 or \$1.40 per share, compared to \$1.20 per share for the previous year.

TAXES

The provision for income taxes, Federal and Provincial, totalled \$1,800,000 in 1960 compared to \$1,830,000 in 1959.

FINANCIAL POSITION

Working capital totalled \$11,917,825 at the year-end, compared to \$12,340,702 at the end of 1959.

During 1960 the Company sold and leased back two of its properties for the total amount of \$700,000. In the previous year the Company realized \$5,150,000 from the sale and leaseback of nine of its store properties.

Merchandise inventories, at cost at the year-end, totalled \$7,688,000 or \$1,909,000 above a year ago. New and enlarged stores account for a large portion of the increase.

Long term debt at the year-end amounted to \$2,640,000, comprising the outstanding balance of the Company's 6% Sinking Fund Debentures maturing November 1, 1977.

The net book value per share of Common Stock was \$21.09 at the year-end, compared to \$19.85 at the end of the previous year.

CREDIT

At the year-end, credit selling was used in 58 stores and will be extended to approximately 10 more operating stores in 1961. All new stores open with a Credit Department. Instalment receivables from customers totalled \$3,451,000 at the year-end compared to \$1,110,000 at the close of 1959.

STORE EXPANSION

During the year, the Company continued its steady program of expansion opening 11 new stores and enlarging and modernizing 4 units. Details of the Capital program for 1960 and the current year of 1961 will be found on a following page.

The 1960 capital program expenditures, primarily for fixtures totalled \$2,215,000. The corresponding expenditures for the previous year were \$1,265,000.

In 1961 we expect to open approximately 15 new stores, of which 11 are expected to be in shopping centres and 4 in downtown locations. The Company will enlarge and modernize 6 successful existing stores—one in a shopping centre and 5 in downtown locations.

At the year-end the Company operated 80 stores compared to 69 at the close of the previous year. These include 29 locations in shopping centres.

GENERAL COMMENTS

At the meeting of the Board of Directors, held September 15, 1960, Mr. John G. Curtin, Company Treasurer, was elected a director to fill the vacancy resulting from the retirement of Mr. William C. Tugman.

At that meeting, the Board recorded its appreciation of Mr. Tugman's contribution to the advancement of the Company, which he had served since its incorporation, and as a Director since 1954.

Mr. Tugman's former duties, other than those performed by him as a Director of the Company, have been taken over by Mr. R. W. Marvell, former Manager of our Downtown Store in Ottawa, who was promoted to the position of Company Expansion and Planning Director.

At a special meeting of the shareholders following the Annual Meeting held on May 5, 1960, a by-law was ratified increasing the size of the Board of Directors from nine to eleven and Mr. Ralph B. Brennan, President and Managing Director of G. E. Barbour Company Limited, Saint John, N.B., and Mr. E. Leonard Boulton, President of Boulton, Sweet & Co. of Vancouver, B.C., were elected to the Board of Directors.

The year 1961 promises to be one of great challenge to the retail industry. However, we look with confidence to the long-term growth of Canada and the part Zeller's Limited can play in the expansion of the economic strength of the country.

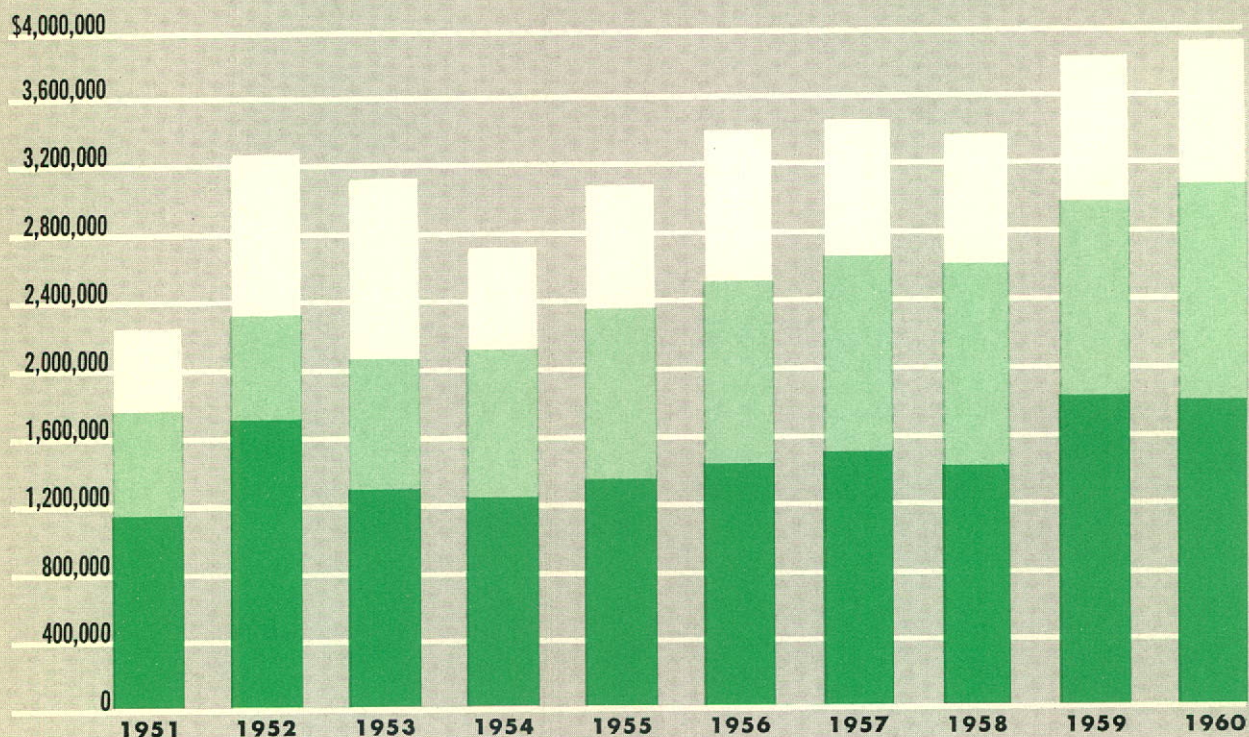
ON BEHALF OF THE BOARD,


President.

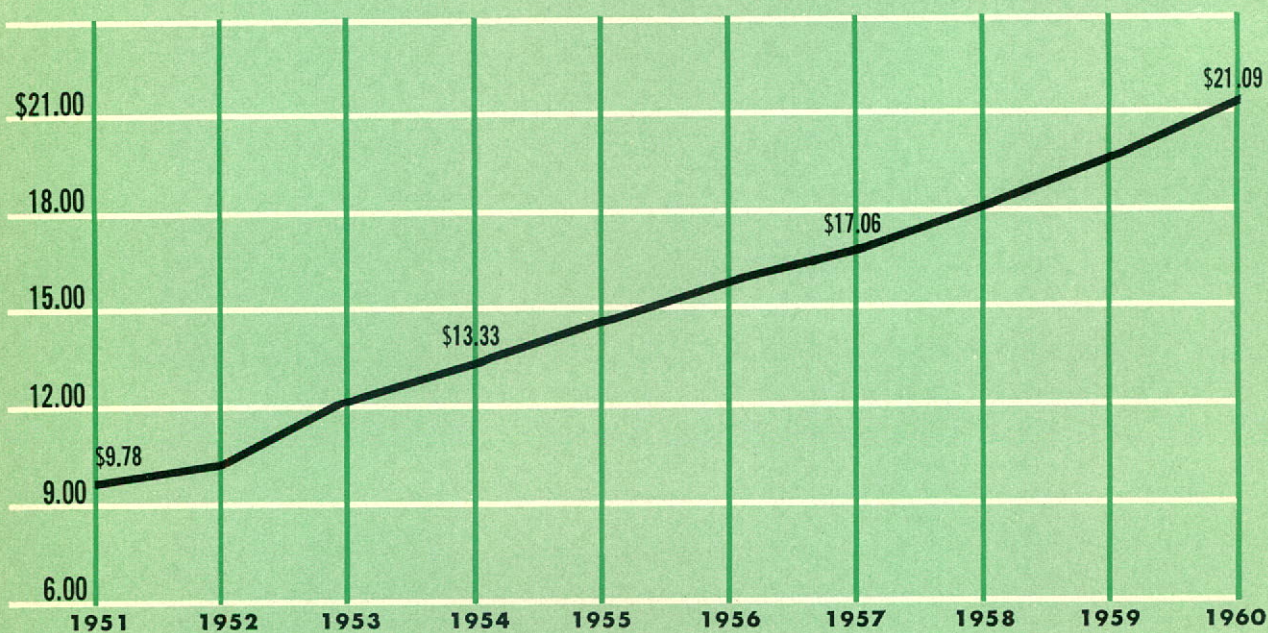
March 16, 1961.

PROFIT BEFORE TAXES

INCOME TAXES ■ DIVIDENDS ■ NET PROFITS REINVESTED IN BUSINESS □



EQUITY PER COMMON SHARE





ZELLER'S

AND SUBSIDIARIES

CONSOLIDATED

JANUARY 31, 1961

ASSETS

	1961	1960
Current assets:		
Cash on hand and in banks	\$ 819,979	\$ 3,080,994
Government bonds and other investments (Note 1)	3,063,839	4,992,647
Inventories at the lower of cost or market (determined by physical count or measurement)	7,688,311	5,779,292
Accounts receivable and deposits, less allowance for doubtful accounts	3,683,408	1,614,904
Prepaid expenses and supplies	340,865	274,913
	<u>15,596,402</u>	<u>15,742,750</u>
Preferred stock purchase fund—cash in bank	<u>100,000</u>	<u>100,000</u>
Fixed assets—at cost (Note 2):		
Land and buildings	3,437,276	3,525,668
Fixtures, equipment and improvements to leasehold premises	15,163,170	13,335,915
	<u>18,600,446</u>	<u>16,861,583</u>
Less accumulated depreciation	7,545,342	6,905,994
	<u>11,055,104</u>	<u>9,955,589</u>
	<u><u>\$26,751,506</u></u>	<u><u>\$25,798,339</u></u>

Note 1: Valued at cost plus amortized discount—approximate market value January 31, 1961—\$3,090,000.

Note 2: At January 31, 1961 the net book value of depreciable assets exceeds the undepreciated capital cost for income tax purposes by \$650,000 approximately.

AUDITORS' REPORT TO

We have examined the consolidated balance sheet of Zeller's Limited and its subsidiary companies as of January 31, 1961 and the consolidated statements of profit and loss and surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

LIMITED

RY COMPANIES

BALANCE SHEET

ARY 31



LIABILITIES AND SHAREHOLDERS' EQUITY

	1961	1960
Current liabilities:		
Accounts payable and accrued expenses	\$ 2,712,867	\$ 2,262,077
Miscellaneous accrued taxes	156,227	151,028
Estimated income taxes payable	809,483	988,943
	<u>3,678,577</u>	<u>3,402,048</u>
 6% sinking fund debentures, series A—maturing November 1, 1977 (Note 3)	 2,640,000	 2,740,000
Reserve for employees' pension plan	110,400	157,800
 Capital stock:		
Authorized and issued:		
90,077 4½% cumulative redeemable preferred shares, \$50.00 par value (Note 4)	4,503,850	4,611,600
750,000 common shares, no par value	3,000,000	3,000,000
	<u>7,503,850</u>	<u>7,611,600</u>
Preferred stock purchase reserve	496,150	388,400
Consolidated surplus	12,322,529	11,498,491
	<u>\$26,751,506</u>	<u>\$25,798,339</u>

SIGNED ON BEHALF OF THE BOARD:

A. A. MAGEE
JAMES G. KENDRICK } Directors

Note 3: \$100,000 principal amount of debentures were purchased for redemption through the sinking fund during the year ended January 31, 1961, and a sinking fund payment sufficient to retire a further \$120,000 principal amount is due November 1, 1961.

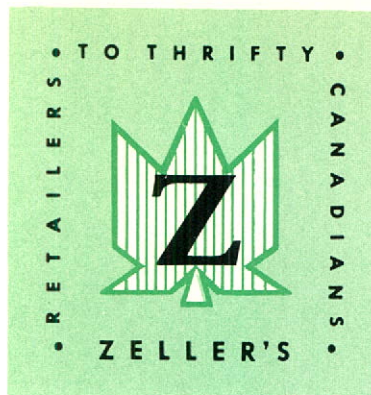
Note 4: 2,155 preferred shares were purchased for redemption during the year ended January 31, 1961.

THE SHAREHOLDERS

In our opinion the above consolidated balance sheet and accompanying consolidated statements of profit and loss and surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies at January 31, 1961 and the results of the operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the companies.

Montreal, Que.,
March 13, 1961.

(Signed) ROSS, FREWIN & CO.,
Chartered Accountants.



ZELLER'S LIMITED

AND SUBSIDIARY COMPANIES

Consolidated Statement of Profit and Loss

YEAR ENDED JANUARY 31

1961

1960

SALES		\$56,995,209		\$53,340,543
Deduct:				
Cost of goods sold, operating, selling and administrative expenses, exclusive of items shown hereunder	\$52,074,998		\$48,502,662	
Remuneration of executive officers	140,492		136,905	
Legal fees	3,145		3,216	
Directors' fees	10,405	52,229,040	4,040	48,646,823
		<u>4,766,169</u>		<u>4,693,720</u>
Deduct:				
Depreciation—buildings, fixtures, equipment and improvements to leasehold premises (Note A)	798,203		735,245	
Debenture interest	161,687	959,890	170,337	905,582
		<u>3,806,279</u>		<u>3,788,138</u>
Add amortized discount and gain on sale of investments		142,769		50,979
		<u>3,949,048</u>		<u>3,839,117</u>
Deduct provision for income taxes (Note A)		1,800,000		1,830,000
Consolidated net profit for year—transferred to consolidated surplus		<u>\$2,149,048</u>		<u>\$ 2,009,117</u>

NOTE A: For the year ended January 31, 1961 the companies intend to claim for income tax purposes \$260,000 more depreciation than has been recorded in the accounts, the applicable tax reduction amounting to \$125,000 approximately.

Consolidated Statement of Surplus

YEAR ENDED JANUARY 31, 1961

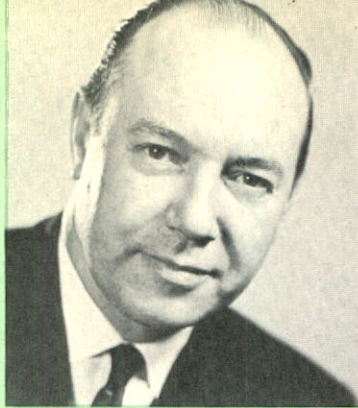
Balance at credit—January 31, 1960			\$11,498,491
Add:			
Consolidated net profit for the year	\$2,149,048		
Discount on preferred shares purchased for redemption, less premium on debentures redeemed	7,320		
Profit on disposal of fixed assets	30,610		2,186,978
			<u>13,685,469</u>
Deduct:			
Appropriation to preferred stock purchase reserve	107,750		
Dividends:			
4½% preferred shares	\$ 205,190		
Common shares	1,050,000	1,255,190	1,362,940
Balance at credit—January 31, 1961			<u>\$12,322,529</u>

TWENTY-FIVE YEAR SUMMARY OF OPERATIONS

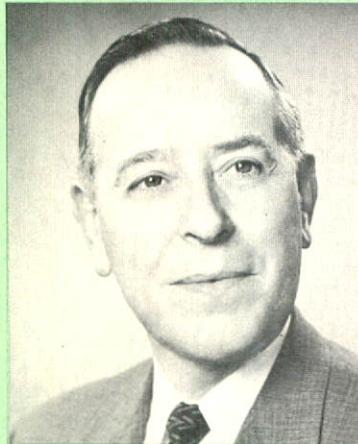


YEAR	NUMBER OF STORES	SALES	PROFIT BEFORE TAXES	INCOME TAXES	NET PROFIT	EARNINGS PER COMMON SHARE	DIVIDENDS PER COMMON SHARE
1936	20	\$ 4,462,338	\$ 174,391	\$ 28,040	\$ 146,351	\$.26	\$ —
1937	22	5,063,910	274,040	43,276	230,764	.39	—
1938	24	5,083,603	223,361	37,650	185,711	.28	—
1939	27	6,180,192	313,439	60,150	253,289	.33	—
1940	27	7,806,104	500,398	210,000	290,398	.39	—
1941	27	9,621,971	762,735	380,368	382,367	.54	.20
1942	27	10,648,382	928,400	554,615	373,785	.53	.20
1943	27	10,271,400	866,528	499,870	366,658	.51	.20
1944	27	10,865,015	988,746	473,123	515,623	.69	.20
1945	27	12,042,813	1,074,043	509,778	564,265	.73	.20
1946	28	13,893,301	1,196,010	537,827	658,183	.88	.25
1947	30	16,949,232	1,511,671	638,519	873,152	1.22	.30
1948	32	21,183,939	1,695,589	716,546	979,043	1.35	.40
1949	32	23,457,312	2,131,502	890,647	1,240,855	1.73	.50
1950	35	25,431,221	2,193,474	947,311	1,246,163	1.74	.60
1951	35	27,433,267	2,276,327	1,176,177	1,100,150	1.51	.70
1952	51	35,113,167	3,257,613	1,684,877	1,572,736	2.59	.80
1953	52	35,762,401	3,136,473	1,319,997	1,816,476	2.66	.90
1954	54	37,251,728	2,760,451	1,273,307	1,487,144	2.05	1.00
1955	53	38,316,716	3,081,501	1,387,645	1,693,856	1.93	1.00
1956	60	43,452,052	3,416,167	1,497,470	1,918,697	2.26	1.00
1957	63	46,340,586	3,452,581	1,523,659	1,928,922	2.28	1.20
1958	67	49,830,436	3,371,751	1,483,342	1,888,409	2.23	1.20
1959	69	53,340,543	3,839,117	1,830,000	2,009,117	2.40	1.20
1960	80	56,995,209	3,949,048	1,800,000	2,149,048	2.59	1.40

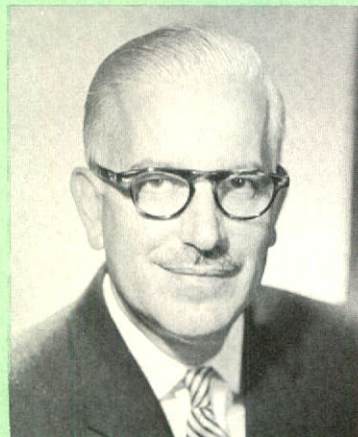
Note: Net Earnings and Dividends per Share are based on Shares outstanding at Year-End, adjusted for Stock Split.



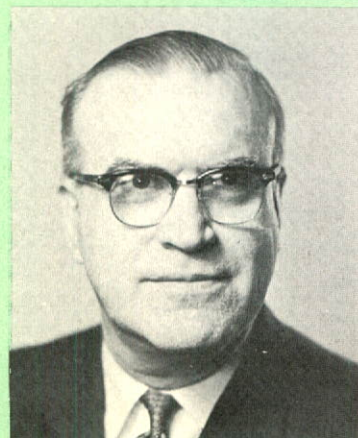
R. W. MARVELL
Expansion and Planning Director



E. S. MESNIER
Director of Real Estate



P. FLEURY
Construction Manager



A. W. MILLER
Manager of Store Interior Designs

1960 EXPANSION HIGHLIGHTS

The year 1960 witnessed the continuing expansion of Zeller's Limited in opening Stores from Coast to Coast.

New Stores were opened in the following locations: Truro, N.S.; Halifax, N.S.; Don Mills, Ont.; Scarborough, Ont.; Merritton, Ont.; Trenton, Ont.; Duvernay, Que.; Sherbrooke, Que.; Ville LaSalle, Que.; Burnaby, B.C.; North Surrey, B.C.

In addition, our Store located in the Golden Mile Shopping Centre, Scarborough, Ont., was enlarged and our Stores located in Winnipeg, Man. and Vancouver, B.C. were completely modernized. The enlargement and complete renovation of our Store in Edmonton, Alta., was begun in September of this year.

EXPANSION DEPARTMENT

To ensure the orderly, progressive and economically sound expansion of the Company's facilities, all activities relating to the physical plants of Zeller Stores are co-ordinated in the Expansion Department.

From the initial survey to the turning over of the finished Store to the new Manager, many months of planning are involved. The constant goal of the Expansion Department is to present the most interesting Store buildings and interior displays possible, to meet the needs and the desires of Zeller customers.

Mr. R. W. Marvell, the Expansion and Planning Director, heads the Department. He has twenty-four years experience with the Company and has served as both Store Manager and Division Superintendent.

Mr. E. S. Mesnier is the Director of Real Estate. He joined Zeller's Limited in 1956 as Real Estate Manager, after thirty years' experience with the Real Estate Department of the W. T. Grant Company. Mr. Mesnier is responsible for all Real Estate matters and has reporting to him, three Regional Real Estate Managers.

Mr. Paul Fleury is the Company's Construction Manager and has been associated with Zeller's Limited for twenty-three years as the Company Architect.

Mr. A. W. Miller is the Manager of Store Interior Designs. He has twenty-three years experience in Store work and is responsible for the planning and fixturing of all Stores.

EXPANSION - 1961

At the present time, our program for 1961 includes fifteen new Stores to be opened during the year from Coast to Coast. Eleven of these will be located in Shopping Centres and four in Downtown Areas. In addition to these new units, 1961 will see the opening of the largest Zeller Store, upon completion of the expansion and complete remodelling which is now in progress of the Downtown unit in Edmonton, Alta. Five other existing Stores will likewise be remodelled and enlarged.



NEW DEVELOPMENTS

Pictured at the right are three interesting developments that are the result of recent planning by the Store Expansion Department.

The first picture shows our new Store Luncheonette called "The Skillet". During 1960, two of these units were opened and we intend to open more in 1961. These units are unique insofar as they provide for both counter service and table service.



Also pictured is one of our new Stores which has a forty-foot "No Door" entrance to the Selling Area. This is made possible by a completely covered mall equipped with heating for cold weather and air-conditioning for hot weather. Shove-back doors extend an open invitation to shop.

Also pictured is a small segment of a total Store which shows the newest in wall and counter treatments for the display of our merchandise.

Constant research is carried on in an effort to improve the inter-relation of our merchandise departments and the presentation of our merchandise.





W. H. BUGGS
Store Operations Director

STORE OPERATIONS DEPARTMENT

Company expansion in 1960 and plans for continued increase in the number of stores has necessitated a redistribution of supervisory responsibilities, which are under the overall direction of Mr. W. H. Buggs, Store Operations Director.

Stores are grouped into six Divisions with six Division Superintendents, each responsible for the performance of the group of stores in his Division.

All the Division Superintendents have been with the Company for a number of years, and have held managerial as well as supervisory positions.



C. P. MULHERN
Div. Supt.

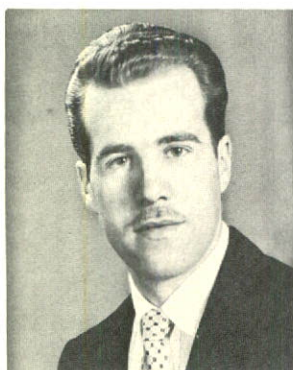
Division 1—Maritimes-Eastern Quebec

Joined Zeller's in 1951, became a store manager in 1958 and Superintendent February 1st, 1961. Division 1 has 14 stores, will open one store and enlarge another this year.

N. E. RANSON
Div. Supt.

Division 4—Southern Ontario-Lakehead

Joined Zeller's in 1939, managed his first store in 1948 and appointed Superintendent in 1958. Division 4 has 14 stores; will open four new stores in 1961.



V. A. NOISEUX
Div. Supt.

Division 2—Montreal-Three Rivers-Eastern Townships

Managed his first store in 1956, four years after joining Zeller's, and appointed Superintendent February 1st, 1961. Division 2 has 17 stores; one new store will open this year.

R. J. THOMPSON
Div. Supt.

Division 5—Metropolitan Toronto

Managed his first store in 1954, six years after joining Zeller's; appointed Superintendent in 1959. Division 5 has 12 stores; will open two new stores this year.



S. DAY
Div. Supt.

Division 3—Ottawa-Eastern Ontario

Started with Zeller's in 1948, managed his first store in 1953 and became a Superintendent in 1958. Division 3 has 14 stores; will open two new stores and enlarge one other store this year.

E. D. ZELLER
Div. Supt.

Division 6—Western Provinces

Started with Zeller's in 1949, managed his first store in 1955, appointed Superintendent 1959. Division 6 has 12 stores; will open two stores and greatly enlarge one other this year.



PEOPLE GROW WITH ZELLER'S



T. H. BURDON
Personnel Director

Zeller's management believes that promotion from within the organization is an important factor in the development of a strong Personnel Program geared to the requirements of the Company's expansion plans. All Personnel Policies are administered by Mr. T. H. Burdon, Personnel Director. 1960 promotions of personnel included 16 assistant store managers appointed store managers, and six store managers and assistant store managers appointed to positions in Home Office. A few typical progress stories of people whose careers have grown with Zeller's are outlined below.

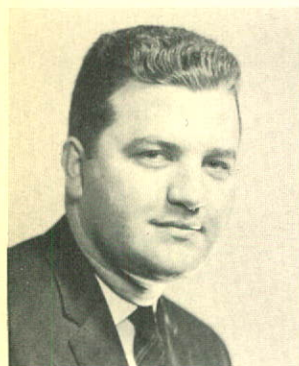


R. G. KENNEY

Graduate in Business Administration from University of Western Ontario, joined Zeller's in 1939. After successive promotions, became manager of one of company's largest stores in downtown Calgary.

MISS A. LAMBERT

Started with Zeller's as Christmas sales extra in Winnipeg in 1954. Was promoted to Personnel Supervisor Training Program. Has done exceptionally good work in four stores, as Personnel Supervisor.

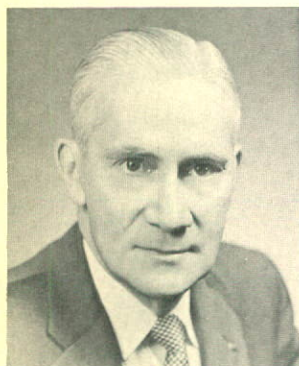


G. GAGNÉ

Joined Zeller's Management Training Program in Quebec City in 1953, now managing his second store, in Ville LaSalle, Que. Mr. Gagné is a graduate of Laval University, Faculty of Commerce.

R. E. MacKAY

Appointed Senior Buyer in Home Office February 1960, following successive promotions since 1934. Managed two stores; was Area Superintendent; joined Home Office Staff in 1949. Twice a winner of awards in the Walter P. Zeller Achievement Contest for Buyers.



C. C. WELLMAN

Is a charter member of the Company. Has managed four different Zeller's stores; is now manager of the large Moncton store. Was winner, in his area, of the Walter P. Zeller Achievement Award Contest for 1960.

MRS. I. MASTERS

Joined Zeller's in St. Catharines store as head of Draperies and Curtains Department. Was promoted to Store Section Supervisor and then, in 1947, as Assistant Buyer in Home Office. Was appointed Buyer in 1954.





RECRUITING AND DEVELOPING OF PERSONNEL



A recent applicant who joined the Management Training Program.
St. Michel, Que., Store in background.

The Company's greatest asset is its reserve of well-trained, efficient people, whose individual ambition, imagination, energy, and whose team work ensure the continued growth of the Company.

The selection, hiring, and training of properly qualified personnel is carried out across Canada by trained Personnel Supervisors, Store Managers, and Division Superintendents, using specially devised selection aids, and administered by the Home Office Personnel Dept.

Employment of personnel requiring special technical qualifications is conducted by the Montreal Personnel Office.

RECRUITING FOR MANAGEMENT TRAINING PROGRAM

The recruiting program resulted in 135 new Management Trainees entering the Management Training Program in 1960. The Company had 197 people in training for store management at the year end. The number is planned in direct relationship to the planned rate of expansion of the Company. Thirty-three university graduates entered the Management Training Program in 1960, and all others had a minimum of high school graduation or better.



A typical Progress Review is conducted in Home Office Buying Division.

PROGRESS REVIEWS PROVIDE PERFORMANCE RECORDS FOR PROMOTION

Written Progress Reviews provide a complete record of each Associate's performance, which is the basis on which promotions to higher responsibility are made. The policy of written progress reviews has been in effect up to the Management level in Zeller's for many years, and was extended in 1959-60 to include all levels of Store and Home Office Management.

ON-THE-JOB TRAINING A BASIC FEATURE

On-the-job training is the basic feature of the Company's several training programs. For many years the Personnel Supervisors in all but the very smallest Zeller stores have been a strong influence in the development of well qualified, well trained store staffs, who have in turn formed a valuable nucleus of trained personnel for efficiently opening the many new stores in the expansion program.



A Personnel Supervisor conducts a sales-training session with associates.



A Store Manager discusses merchandising techniques with management trainees.



J. G. BALFOUR
Merchandise Director

MERCHANDISE EXPANSION

The year 1960 marked an accelerated expansion into broadened assortments of merchandise. Rapidly changing and more knowledgeable consumer demand was matched by a program designed to satisfy those wants by providing assortments tailored to meet the needs of Zeller customers in both downtown and shopping centre locations. The merchandise expansion program in higher-priced items was stimulated greatly by improved Credit facilities and also by the provision in all new stores for ample display space and modern fixturing.

From the outset, Zeller's greatest merchandise strengths have been in the field of family wearing-apparel and accessories. The year 1960 saw successful expansion into higher-priced Fashion lines such as Synthetic Fur Coats and Jackets, Women's Casual Shoes and Co-ordinated Lingerie. Suits and Jackets for both Men and Boys were sold successfully in many stores. Important additions were made in Pre-Teen Girls' Departments because of the increase in the number of girls in this age group.

With more space in newer stores, great expansion has taken place in 1960 in the Home Goods departments. Typical of this program is the "Early American" Furniture illustrated on this page. Such expansion as this has been strengthened by matching or complementary accessories in other Home Goods departments. Significant and rewarding additions to Zeller assortments in 1960, have been Branded Paints, Power Lawn Mowers, Sewing Machines, Stereophonic and Television Sets, and multiple-width Drapes.

The merchandise expansion program for 1961 will be marked by a drive to shop the markets of the world for new and exciting quality merchandise. Sound expansion will also come from more rapid development and application of Zeller's own brand names. Zeller advertising will be designed to take full advantage of these merchandising changes.

The merchandise expansion program for 1961 will fully justify the slogan "Retailers to Thrifty Canadians", because it recognizes that customers throughout Canada are:— increasingly selective buyers, and more conscious of fabric, style and colour.



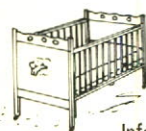
Expansion of Zeller's Home Goods Depts. includes the addition of "Early American" Furniture



Synthetic Fur Coat from Zeller's higher-priced Fashion lines

MERCHANDISE ASSORTMENTS

Grouped below are the major lines or categories of merchandise carried in the typical Zeller store. More than 20 Buying Specialists bring to the Canadian public the benefit of 29 years of Zeller experience and success in merchandising for the nation's growing wants. Zeller buyers work closely with leading manufacturers to assure our customers of dependable quality, good styling and top value. A continuous and organized program of merchandise reviewing and checking further strengthens the Zeller policy of merchandising for maximum customer satisfaction.



FOR INFANTS

Infants' Furniture
Carriages and Strollers
Nursery Supplies and Toys
Layettees
Blankets and Bedding
Shoes and Slippers
Hosiery
Outerwear
Dresses, Playwear
Headwear
Underwear, Sleepwear
Christening Wear



FOR GROWING GIRLS

Dresses and Slips
Footwear, Hosiery
Sweaters
Headwear
Handbags
Coats and Jackets
Seasonal Outerwear
Gloves and Mitts
Skirts, Blouses, T-Shirts
Playwear and Sportswear
Swim Wear
Slacks and Slims
Rainwear
Sleepwear, Underwear
Dolls and Doll Clothing
Doll Carriages
Creative and Educational Toys



FOR GROWING BOYS

Seasonal Outerwear
Footwear, Hosiery
Sweaters and Knitted Shirts
T-Shirts
Headwear
Suits and Jackets
Gloves and Mitts
Pants, Shirts
Belts and Neckties
Rainwear
Swimwear
Underwear, Sleepwear
Bicycles and Accessories
Books, Games and Hobby Kits



FOR WOMEN

Dresses
Coats and Suits
Dusters
Blouses
Skirts and Sweaters
Millinery
Sportswear and Playwear
Gloves
Handbags and Belts
Hosiery
Slips and Gowns
Underwear, Sleepwear
Brassieres
Foundation Garments
Maternity Wear
Shoes and Slippers
Jewellery
Rainwear and Umbrellas
Party Supplies and Stationery
Yard Goods and Patterns
Hair Goods and Notions
Cosmetics and Toiletries
Sewing Supplies and Sewing Machines
Aprons and Uniforms



FOR MEN

Suits and Jackets
Dress and Sport Shirts
Pants, Coats
Headwear
Hose
Slippers
Underwear
Pyjamas
Rainwear
Work Clothes
Neckties
Belts, Gloves
Sweaters and Knitted Shirts
Rubber Footwear
Beachwear
Shaving Needs
Sporting Goods



FAMILY NEEDS

Barbecue Grills
Cameras and Supplies
Garden Tools
Pets and Pet Supplies
Wading Pools, Play Gyms
Watches, Billfolds
Adult Games
Luggage
Christmas Decorations
Candy



HOME NEEDS

Electrical Appliances
Bed Sheets and Pillow Cases
Pillows
Towels and Shower Curtains
Bath Mat Sets
Bathroom Supplies
Dinnerware, Cutlery
Glassware
Plastic Material and Oilcloth
Hardware and Tools
Power Lawn Mowers
Electric Accessories
Paints and Brushes
Cooking Utensils
Kitchen Utensils
Closet Accessories
Drapery Hardware



HOME FURNISHINGS

Lamps and Shades
Bedroom Ensembles
Bedspreads
Curtains and Draperies
Slip Covers and Cushions
Floor Coverings
Occasional Furniture
Pictures and Mirrors
Summer Furniture
Television Sets and Radios
Record Players and Records
Horticulture
Place Mats and Doilies
Giftware



Walter P. Zeller

1890 - 1957

COMPANY'S HISTORY IN BRIEF

Zeller's Limited, incorporated by Letters Patent, issued under the Companies Act of Canada on July 13, 1931, began operations as a chain of eleven variety or general merchandise stores. This number has been progressively increased until the Company now operates eighty stores, located across the country from coast to coast.

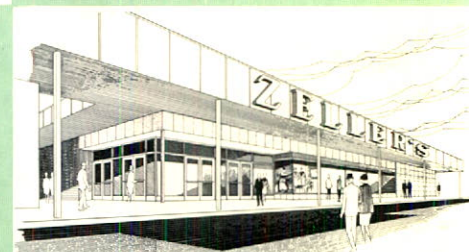
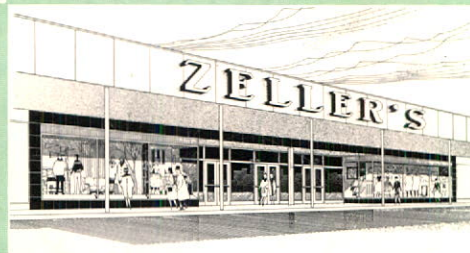
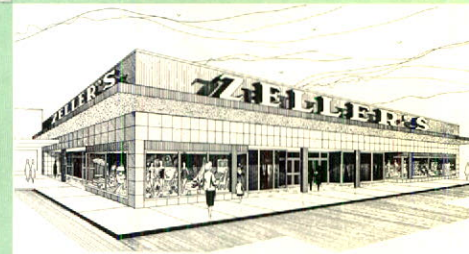
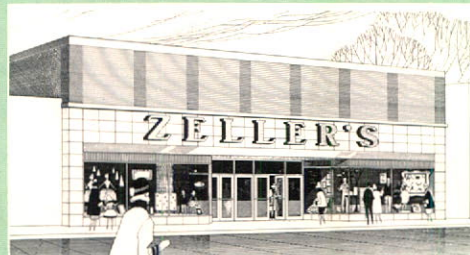
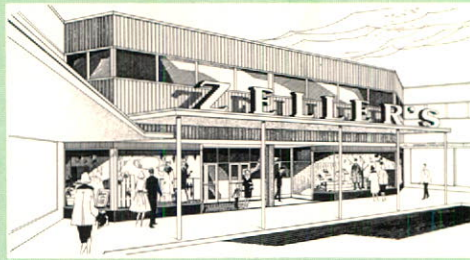
In March 1952, Zeller's Limited purchased all of the issued and outstanding shares of the capital stock of Federal 5-10-15¢ to \$1.00 Stores Limited. Seven of the most suitable stores of the latter company were renovated and converted into Zeller's stores. Four stores continue to be operated under the Federal name.

The affiliation of Zeller's Limited with W. T. Grant Company began in December 1952. This association, whereby W. T. Grant Company now owns 51% of the Common Stock of Zeller's Limited, affords the latter the benefit of the extensive experience which W. T. Grant Company has gained in the operation of more than 800 stores in the U.S.A.

Mr. Walter P. Zeller, the founder of the business which bears his name, was distinguished for his dedication to the ideal of service and he was concerned that it should be exemplified in all phases of his Company's operations. Notwithstanding his death on August 25, 1957, it remains the endeavour of all associated with the Company that they should continue to observe the traditions which he established for their guidance and, above all, that they should always merit his description of them as "RETAILERS TO THRIFTY CANADIANS."



The birthplace of Mr. Walter P. Zeller
the farm in Waterloo County, Ontario,
where his grandparents had settled in 1831.



ZELLER'S LIMITED

5115 TRANS ISLAND AVENUE
MONTREAL 29, QUE.