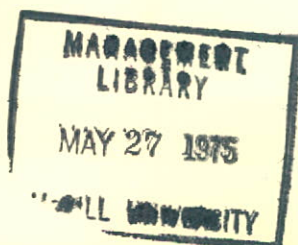
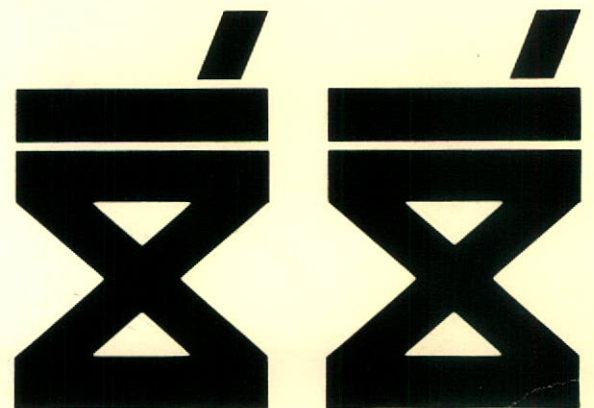
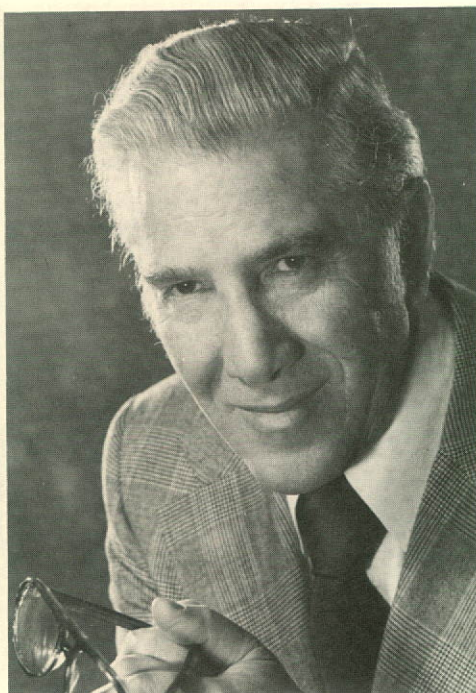


KOFFLER STORES LIMITED 1975 ANNUAL REPORT





Murray B. Koffler
Chairman



Philip W. Goldman
President



Jack Gwartz
Executive Vice President

BOARD OF DIRECTORS

P. H. Erling Bjarnason, Ph.C.
Chairman of the Board
Koffler Stores (Western) Limited

George A. Cohon, B.S., J.D.
President, McDonald's Restaurants of
Canada Limited

Professor Seymour Friedland, B.S., MBA., Ph.D. **
Professor of Finance and Economics,
York University

Bertrand Gerstein, B.A. **
Chairman of the Board
Peoples Jewellers Limited

Philip W. Goldman, Phm.B. * **
President of the Company

Jack Gwartz, B.Sc.(Phm.)*
Executive Vice President of the Company and
President of the Shoppers Drug Mart Division

James E. Kelley, B.Sc.
President, J. E. Kelley Co. Ltd.

Murray B. Koffler, Phm.B.*
Chairman of the Board and
Chief Executive Officer of the Company
Vice President, Four Seasons Hotels Limited

David H. MacDonald, Ph.C.
President, Koffler Stores (Western) Limited

Malcolm G. Swartz, C.A.*
Treasurer and Corporate Comptroller

Hilda Wilson, CPRS Acc.*
President, Investor Relations Canada Limited

OFFICERS

Murray B. Koffler, Phm.B.
Chairman and Chief Executive Officer

Philip W. Goldman, Phm.B.
President and Chairman of Executive Committee

Jack Gwartz, B.Sc.(Phm.)
Executive Vice President and
President Shoppers Drug Mart Division

Malcolm G. Swartz, C.A.
Treasurer and Corporate Comptroller

Irving Bain, Phm.B.
Senior Vice President

Bernard Glazier, Phm.B.
Vice President, Loss Prevention

Marvin A. Goldberg, B.A., LL.B.
Vice President, Corporate Affairs
and General Counsel

Jack Kirk, Phm.B.
Vice President, Real Estate and Development

Samuel Mandel, Phm.B.
Vice President, Store Planning

H. Melvin Kochberg, C.A.
Assistant Treasurer

BANKERS

The Toronto Dominion Bank
Canadian Imperial Bank of Commerce
The Royal Bank of Canada

AUDITORS

Wm. Eisenberg & Co.
Chartered Accountants

TRANSFER AGENTS & REGISTRARS

Canada Permanent Trust Company (shares),
Toronto, Montreal, Winnipeg, Regina,
Calgary & Vancouver.

The Canada Trust Company (debentures),
Toronto, Montreal, Winnipeg,
Calgary & Vancouver.

LISTED

Toronto Stock Exchange
Montreal Stock Exchange

*Member Executive Committee

**Member Audit Committee

ADMINISTRATIVE EXECUTIVES



Irving Bain, Senior Vice President,
Koffler Stores Limited

David MacDonald, President,
Koffler Stores (Western) Limited



SHOPPERS DRUG MART DIVISION

Divisional Office 255 Yorkland Blvd., Willowdale, Ontario M2J 1S4

Jack Gwartz, B.Sc.(Phm.)
President and Chief Executive Officer
Irving Bain, Phm.B.
Senior Vice President
David Bloom, B.Sc.(Phm.)
Assistant to the President
Al Krakauer, B.Sc.(Phm.), MBA.
Director, Koffler Academy
Malcolm G. Swartz, C.A.
Treasurer
Jack Kirk, Phm.B.
Vice President, Real Estate and Development

Bernard Glazier, Phm.B.
Vice President, Loss Prevention
Samuel Mandel, Phm.B.
Vice President, Store Planning
Marvin A. Goldberg, B.A., LL.B.
General Counsel
Earl Biderman, B.A., C.A.
Divisional Comptroller
John Gamble, B.A.
Director of Marketing
David M. Whittet
Director of Store Development and Engineering

WESTERN REGION

Suite 601, 100 Park Royal, Vancouver, British Columbia V7T 1A2

David H. MacDonald, Ph.C.
President
Stanley H. Glazer, B.Sc.Phm., MBA.
Executive Vice President and Director of Operations
Jim Charles, B.S.P., MBA.
Director of Personnel Services
Gary Candy
Operations Co-ordinator
Charles W. Doodson, Ph.C.
Vice President, Professional and Consumer Relations
Thomas G. Gowan, C.G.A.
Secretary-Treasurer
Greg Harmeson
Assistant Director of Advertising
H. Melvin Kochberg, C.A.
Vice President, Operations Finance

Norman P. Paul, B.S.P.
Assistant Director of Operations
Edward Samworth
Director of Real Estate
Gordon E. Stromberg, A.O.C.A.
Vice President, Advertising
Raymond F. Tresidder, B.S.P.
Vice President, Store Planning
Dalton Van Cleave, B.Sc.Phm.
Director of Operations, Alberta and Saskatchewan
Fred Van Laare, B.Comm.
Operations Co-ordinator
Martin Welch
Director of Loss Prevention
Victoria Williams, B.Comm.
Cosmetic Co-ordinator
Ken Willson
Private Brand Co-ordinator

CENTRAL REGION

255 Yorkland Blvd., Willowdale, Ontario M2J 1S4

David Bloom, B.Sc.(Phm.)
Vice President
Al Krakauer, B.Sc.(Phm.), MBA.
Vice President, Operations
Greta N. Allen, B.A.
Director of Consumer Relations
Goldie Brass
Office Manager
Murray Byrne
Director of Loss Prevention
Isobel Channing
Cosmetic Co-ordinator
Tom Gibney
Merchandising Co-ordinator
Hugh Gibson
Director of Real Estate and Site Selection
Lawrence J. Greenspoon, B.Sc.(Bus. Admin.), C.A.
Assistant Comptroller

William Halpern
Advertising Manager
Tim Hogan
Director of Store Engineering
Eddie Mainiero
Merchandising Co-ordinator
Joe Shanab
Director of Purchasing
David Stern
Operations Co-ordinator, Manitoba
Tony Strugnell
Manager of Inventory Services
Howard Trifler
Operations Co-ordinator
Allan Young
Director of Store Openings

ADMINISTRATIVE EXECUTIVES (continued)



ATLANTIC REGION

Suite 303, 860 Main Street, Moncton,
New Brunswick E1C 8M1

N. Halley MacPherson, B.Sc.(Phm.)
Vice President

Harold W. Armstrong, C.A.
Comptroller

Edward W. Parker
Director of Operations

Del Thorne
*Co-ordinator of Personnel and
Koffler Academy*

Gerry Bell
*Co-ordinator of Cosmetics and
Loss Prevention*

Leonard Burke
Merchandising Co-ordinator

Vern Tutty
Merchandising Co-ordinator

PHARMAPRIX LIMITÉE

Suite 410, 5880 Cavendish Boulevard,
Montreal, Quebec H4W 2T5

BOARD OF DIRECTORS

Sam Steinberg
*Honorary Chairman
Chairman of the Board, Steinberg's
Limited*

Philip W. Goldman
*Chairman of the Board
President, Koffler Stores Limited*

Melvyn Dobrin
*President
President, Steinberg's Limited*

Murray B. Koffler
*Director
Chairman and Chief Executive Officer,
Koffler Stores Limited*

Jack Gwartz
*Executive Vice President
Executive Vice President,
Koffler Stores Limited*

Arnold Steinberg
*Treasurer,
Vice President, Steinberg's Limited*

OPERATIONS

Mark Schwartz, B.Com., MBA.
General Manager

Roland Nadeau, B.Ph., L.Ph.
Director of Store Operations

Jean Chenier, B.Sc.Com., C.S.A.
Financial Co-ordinator

Louis Mendell
*Co-ordinator of Advertising and
Promotion*

Elie Ajram
Merchandising Co-ordinator

EMBASSY CLEANERS DIVISION

1696 Bayview Avenue, Toronto, Ontario
M4G 3C4

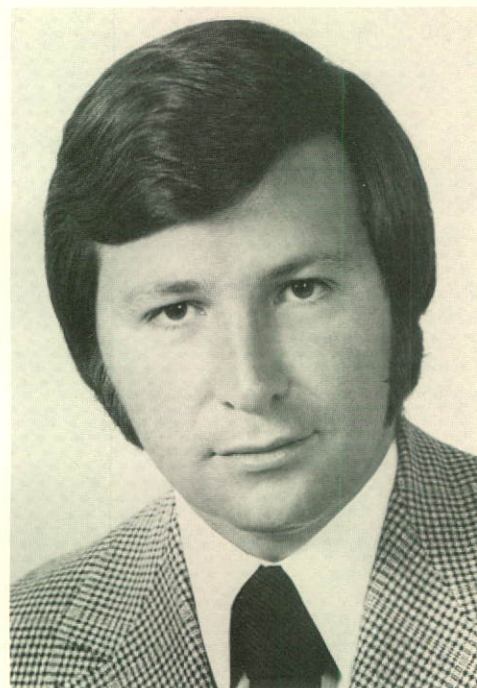
Philip W. Goldman
Chairman and Chief Executive Officer

Emile Haick
President and General Manager

William Foley
Director of Operations

Gerald Lokash, B.A., C.A.
Treasurer and Director of Real Estate

Malcolm G. Swartz, C.A.
Secretary



David Bloom, Vice President, Central Region,
Shoppers Drug Mart Division

Halley MacPherson, Vice President,
Koffler Stores (Atlantic) Limited



HIGHLIGHTS

KOFFLER STORES LIMITED

Year Ended January 31 (in 000's)**	1975	1974*	1973	1972	1971	1970	1969	1968
Sales – Retail Drug Division								
Franchised stores	\$177,736	\$136,821	\$112,860	\$ 64,658	\$50,819	\$40,291	\$23,681	\$ 8,777
Wholly-owned stores	22,140	10,069	14,645	35,500	5,423	4,458	10,019	19,037
Total Retail Drug Sales	\$199,876	\$146,890	\$127,505	\$100,158	\$56,242	\$44,749	\$33,700	\$27,814
Wholesale Drug Division (discontinued).	9	66	2,279	5,443	—	—	—	—
Cleaning Division.	5,046	4,130	3,569	3,237	2,838	1,873	—	—
Total Sales.	\$204,931	\$151,086	\$133,353	\$108,838	\$59,080	\$46,622	\$33,700	\$27,814
Earnings from Continuing Operations—Retail	\$ 6,167	\$ 6,539	\$ 5,376	\$ 4,399	\$ 3,632	\$ 2,766	\$ 1,872	\$ 1,234
Earnings from Discontinued Operations— Wholesale	(588)	(314)	28	22	—	—	—	—
Earnings before taxes	\$ 5,579	\$ 6,225	\$ 5,404	\$ 4,421	\$ 3,632	\$ 2,766	\$ 1,872	\$ 1,234
Income taxes	2,945	3,140	2,633	2,177	1,935	1,401	951	536
Extraordinary Income, net of taxes	—	112	39	63	20	20	—	—
Net earnings – Drug Division	2,372	2,929	2,590	2,123	1,564	1,269	921	698
– Cleaning Division	262	268	220	184	153	116	—	—
Net earnings after extraordinary items	\$ 2,634	\$ 3,197	\$ 2,810	\$ 2,307	\$ 1,717	\$ 1,385	\$ 921	\$ 698
Earnings per common share (weighted average basis)								
– from continuing operations— Retail	35¢	40¢	33¢	27¢	25¢	20¢	16¢	14¢
– from discontinued operations— Wholesale	(4)¢	(2)¢	—	—	—	—	—	—
– before extraordinary items	31¢	38¢	33¢	27¢	25¢	20¢	16¢	14¢
– for the year.	31¢	40¢	34¢	28¢	26¢	21¢	16¢	14¢
Common dividends paid	\$ 709	\$ 703	\$ 491	\$ 479	\$ 473	\$ 329	\$ 160	—
– per share	10¢	10¢	7¢	7¢	7¢	5¢	2.5¢	—
First preference dividends paid	\$ 403	\$ 412	\$ 420	\$ 315	—	—	—	—
– per share	70¢	70¢	70¢	52.5¢	—	—	—	—
Second preference dividends paid	\$ 21	\$ 6	—	—	—	—	—	—
– per share	10¢	2.5¢	—	—	—	—	—	—
Working capital	\$ 4,544	\$ 7,588	\$ 7,720	\$ 2,388	\$ 1,299	\$ 1,353	\$ 1,002	\$ 1,051
Shares Outstanding – year end								
– First Preference	575	576	600	600	—	—	—	—
– Second Preference	162	241	—	—	—	—	—	—
– Common	7,218	7,026	7,017	7,015	6,782	6,734	6,400	5,120
Number of Retail Stores								
Drug Division	220	185	179	176	81	67	60	53
Cleaning Division	63	61	58	54	46	44	—	—
Total Number of Retail Stores	283	246	237	230	127	111	60	53

* The 1974 figures have been restated to show:

1. The operations of Western Wholesale Drug Limited as discontinued to compare with 1975 the year in which the operations were sold.
2. The net loss of Pharmaprix Limitée before taxes.

** Adjusted for sub-division of common shares: four for one in May, 1969 and two for one in June, 1973.

REPORT TO THE SHAREHOLDERS



The year that ended January 31, 1975 was a year of sustained activity and continued sales increases for Koffler Stores Limited. The opening of 51 new stores including the acquisition of 26 stores from the Lord's group; the sale of Western Wholesale; the upgrading of 25 stores to produce greater efficiencies; and the powerful 200th store opening promotion made heavy demands on every individual and every department. It was a year that produced a sought-after sales increase of 35.7% over fiscal '74. The earnings however, do not reflect the sales increase this year.

Net earnings from all divisions before extraordinary items were \$2,634,042 compared to last year's \$3,085,314. Contributions to net earnings made by each division were as follows:

	1975	1974
Drug Division, Eastern	\$2,789,000	\$3,173,000
Drug Division, Western	(259,000)	(342,000)
Pharmaprix	(158,000)	(14,000)
Cleaning Division	262,000	268,000
	<u>\$2,634,000</u>	<u>\$3,085,000</u>

	1975	1974
Earnings per Common Share		
—Before discontinued operations	<u>\$0.35</u>	<u>\$0.40</u>
—Before extraordinary items	<u>\$0.31</u>	<u>\$0.38</u>
—Net for the year	<u>\$0.31</u>	<u>\$0.40</u>

Your management identified conditions that could erode profits and directed its efforts to offsetting these conditions by increasing sales. The main factors that restricted earnings were:

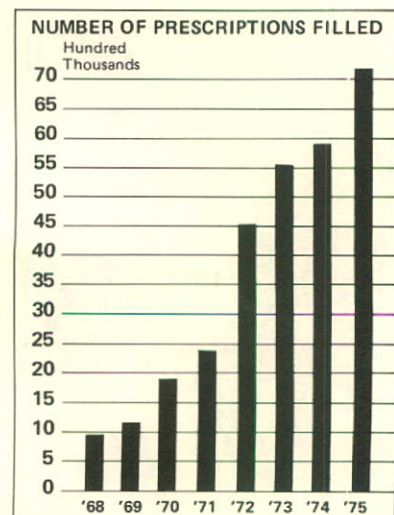
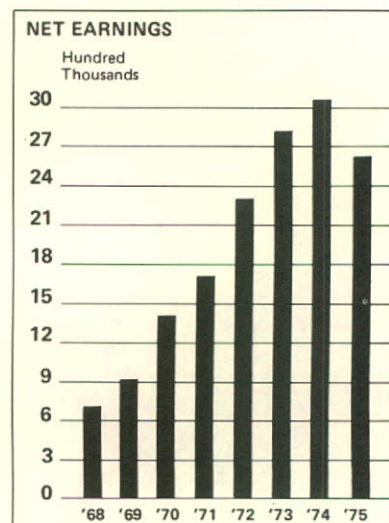
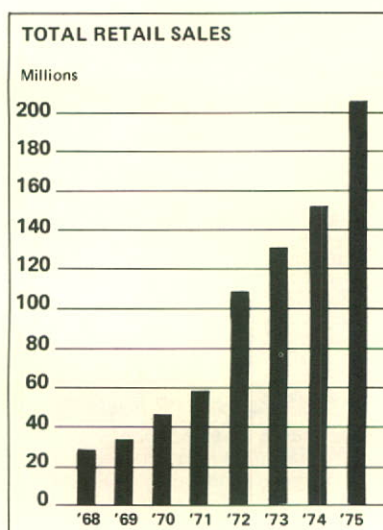
1. The operational loss and the sale of Western Wholesale to National Drug & Chemical Co. which resulted in a pre-tax loss of \$588,000.
2. The operating loss during the transition period between acquisition of Lord's stores and their conversion to Shoppers Drug Mart stores.
3. The pressures of rising operating costs.
4. The necessary increases in wages and employee benefits.
5. The cost of financing.
6. The effects of the federal surtax.

FINANCIAL REVIEW

Total retail sales reached \$204,922,000 representing an increase of 35.7% over last year's retail volume of \$151,020,000.

Excluding wholesale sales to outsiders of \$9,000 in 1975 and \$66,000 in 1974 the breakdown of sales is:

	1975	1974	% Increase
Drug Division, Eastern	\$137,741,000	\$100,575,000	37.0
Drug Division, Western	62,135,000	46,315,000	34.2
Embassy Cleaners Division	5,046,000	4,130,000	22.2
	<u>\$204,922,000</u>	<u>\$151,020,000</u>	35.7



REPORT TO THE SHAREHOLDERS (continued)



The neat, crisp look of Shoppers Drug Mart merchandising gives customers a wide variety of products that are easy to select and clearly priced.

At the beginning of the fiscal year, the Drug Division had 14 wholly-owned stores and 172 franchised units. During the year, 46 new stores were opened and 12 outlets were closed or merged. By year end, there were 28 wholly-owned and 192 franchised stores, for a total of 220 retail drug units.

During the same period, Embassy Cleaners opened 5 units and closed 3, bringing the number to 63 units at the year's end.

Retail sales volume of the 17 drug stores in Quebec subscribing to the Pharmaprix service, by year end totalled \$13,633,000. These results are not included in store numbers or retail sales figures presented above.

OPERATIONAL REVIEW

PRESCRIPTION SALES

In calendar 1974, prescriptions dispensed reached over 7,392,000 up 24% from 5,960,000 the previous year. The ratio of prescription sales to total retail sales was approximately 15% and our average prescription price continued to be well below the national average.

STRUCTURE

The most significant development in the operations sector has been the establishment of geographic regions, staffed by capable administrators and accounting departments. This reorganization will enable the stores in every region to respond directly and quickly to local market and business conditions thereby maximizing profits through the use of tighter financial and operational controls. As a result of the refined operating procedures, the pharmacist-associates and subscribers will receive closer day-to-day support from offices located in Vancouver, Calgary, Winnipeg, Toronto, Montreal and Moncton.

Complementing these developments, Irving Bain has been named Senior Vice President of Koffler Stores Limited and will assume additional responsibilities in operations at the national level. David Bloom, Vice President of the Shoppers Drug Mart Central Region, will also be responsible for added national duties in his capacity as Assistant to the President of the Shoppers Drug Mart Division.

THE WESTERN REGION

A pre-tax loss of \$588,000 was incurred as a result of the operations of Western Wholesale Drug, since discontinued, and the sale of the business to National Drug and Chemical Co. This loss, which is non-recurring, is presented on the consolidated statement of earnings as a loss from discontinued operations — wholesale.

The premises previously occupied by the wholesale operation have been leased.

The retail stores will now be in a better position to do selective buying from several wholesalers and distributors enabling them to further maximize gross profit potential.

Seven stores which were poorly located were sold or closed, resulting in a loss of \$200,000. Three stores are being opened this year. Retail sales for the 12 months were up 34.2% to \$62 million.

The Western Region can now concentrate totally on its retail business, allowing us to have every reason to expect positive results in fiscal '76.

Merchandise Manager, Al Trotter surveys the impact of one of his Christmas displays.



THE CENTRAL REGION

In Ontario and Manitoba the older stores of the company continued to register steady growth.

Nineteen new stores were opened, acquired or relocated, for a total of 111, with 14 more to be opened in the current fiscal year.

Special attention is being given to the control of inventory, gross profits and wages. The Operations Department has been expanded to provide more assistance to the associate. Increased training of staff to improve productivity is being achieved through the expansion of the Koffler Academy. The Loss Prevention Department has introduced a program which will have a positive effect on gross profit. In addition, consumer relations programs have been broadened to include associates and members of store staff, and effective, new sales programs have been formulated to maintain the momentum of increased sales.

ATLANTIC REGION

One of the more significant developments in our expansion during the past fiscal year, was the acquisition in June 1974, of 26 Lord's Supervalu Pharmacies — 19 in the Maritimes and 7 in Ontario. Supported by the existing Shoppers Drug Mart stores in New Brunswick and Nova Scotia, a concentrated drive was then made to re-stock each Lord's store, train its staff and modify its layout, signing, merchandising and appearance to meet our own high standards. Five months later, on November 21st, backed by a strong advertising and public relations campaign, the converted Lord's stores simultaneously re-opened as Shoppers Drug Mart stores. The positive consumer response reflected itself in the healthy sales results.

Despite the operational loss sustained in the third quarter to effect the conversion of 22 stores and the closing of 4, the former Lord's stores recorded sales that contributed to profits before finance costs in the last quarter, which in fact was only 2-1/2 months of Shoppers Drug Mart image and promotion.

To co-ordinate operations and maximize sales and profits from these stores, we have established a regional office for Koffler Stores (Atlantic) Limited in Moncton, N.B. With recent openings in Moncton; P.E.I. and Grand Falls, Newfoundland, the number of stores in the Atlantic Region was 27 at year's end, providing an excellent market position in the Atlantic Provinces. Five more stores are scheduled to open in fiscal 1976 which will see the region produce substantial growth.

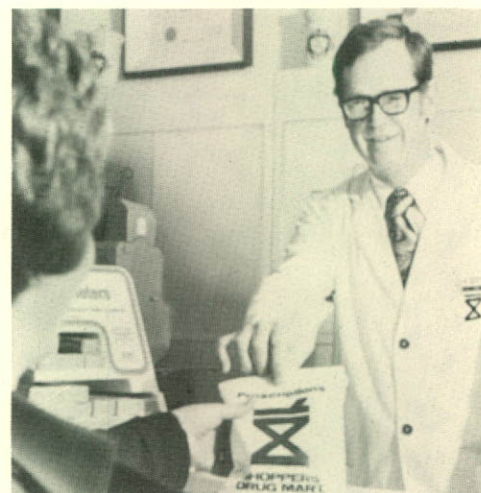
PHARMAPRIX LIMITÉE

In Quebec during the year under review, the number of stores subscribing to the management services of Pharmaprix Limitée grew from 12 to 15.

Senior management changes have taken place and general manager, Mark Schwartz, and a new director of operations, Roland Nadeau, have been appointed.

The Order of Pharmacists has again called into question the right of certain subscribers to enlist the services of Pharmaprix Limitée by initiating disciplinary and injunctive proceedings against them. Each of these actions is being defended and it is not anticipated that there will be any final determination of any of these matters within the next fiscal year.

The favourable ruling obtained by our Hull subscriber in 1974, relating to his right to open and operate his pharmacy has been appealed by the Order of Pharmacists but no definite date for the hearing has been set. On the advice of his Counsel, the subscriber has instituted proceedings against the Order claiming damages suffered as a result of its failure to grant him the required licences on the



Pharmacist-Associate Tom Roe exemplifies the friendly, professional pharmacists practising the Shoppers Drug Mart consumer philosophy.

Pharmacist-Associate Gerry Ziedenisberg talks about the Ontario Drug Benefit Plan with two visitors at the Shoppers Drug Mart booth at a community bazaar.

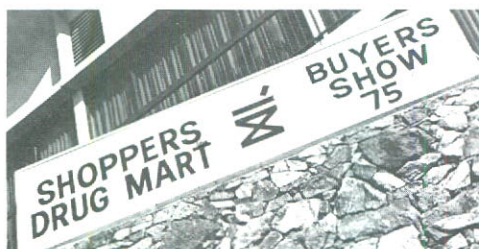


REPORT TO THE SHAREHOLDERS (continued)



Buyers and sellers in action at the September Buying Show in Vancouver.

The smart white and black of the company's logo welcomes suppliers, associates and merchandising managers to the Western Region's semi-annual Buying Show.



opening of his store, and such action has been stayed pending outcome of the appeal.

We continue to vigilantly monitor all legislative developments in the Province relating to the new Pharmacy Act. Although no final decision has been made by the Quebec Cabinet as to the recommended new regulations governing the operation of a pharmacy, we believe that any of the recommendations, if and when implemented, will be compatible with our business. As a result, the services of Pharmaprix Limitée should continue to be available to provide the independent Quebec pharmacist and the Quebec consumer with the same opportunities and benefits that are enjoyed by their counterparts elsewhere in Canada.

Three stores will be opened in fiscal 1976 – Montreal (Alexis Nihon Plaza), Terrebonne and Victoriaville.

EMBASSY CLEANERS

Embassy Cleaners attained a 22.2% sales increase over last year, \$5,045,638 compared to \$4,129,738. Profits remain equal to fiscal 1974 due to a number of significant factors such as increases in wages and employee benefits, increases in materials and solvents, and a substantial increase in the advertising budget to permit TV exposure which helped us attain increased sales.

Embassy now has 63 outlets in Metro Toronto, Burlington and Oshawa. It is our intention to focus on the productivity of plants and the number of depots they can service. Recently the Southgate location in Bramalea was converted into a dry cleaning plant, thereby paving the way for a greater penetration of that market.

MANAGEMENT

Mr. Wilfred Isaacson, Secretary of Koffler Stores Limited, having passed retirement age, tendered his resignation as Director and Secretary as of March 15, 1975. A founder of Plaza Drug Stores Limited, Mr. Isaacson has been a constant contributor to the management team and, during his 51 years of service to pharmacy earned the universal respect of his colleagues. His example at Koffler Stores Limited will be long remembered as one of excellence and his guidance will continually be sought from all levels of pharmacy in the practice of the profession.

Also retiring as Chairman of the Board of Koffler Stores (Western) Limited and as a director of Koffler Stores Limited, is P. H. Erling Bjarnason. A former President of that division, Mr. Bjarnason's career in retail pharmacy encompassed nearly forty years, many of which were spent with the Cunningham Drug Store chain. Over the years, he rendered exemplary service to his profession through participation in the B.C. and Canadian Pharmaceutical Associations. His contribution has been significant.

THE FUTURE

In the current fiscal year, your Company expects to incur corporate expenditures of approximately \$4,750,000 to accommodate our expansion plans.

The Company has stepped up the promotion and development of two key profit cores – the cosmetic department and the sale of private label products under the well-known LIFE Brand. Sales of cosmetic products are relatively immune to inflationary pressures because of their buoyant effect on personal morale in difficult times, and the savings provided by LIFE Brand products help the drug store shopper to fight rising costs at the family level. This new emphasis is already showing positive signs of achieving its objective.

During the period under review, the Company underwent the most wide-ranging and thorough re-examination of its management systems and financial controls in order to be able to resist the upward pressures of inflation, and as a twin objective, to cut costs in the coming year.

It is expected that fiscal 1976 will show a continuing pattern of increased sales, highlighted by the opening of our 250th store. Furthermore, your Company is confident that profits will relate more favourably to increased sales.

On behalf of the Board of Directors,

MURRAY B. KOFFLER
Chairman

PHILIP W. GOLDMAN
President

May 8, 1975



Milestone 200 — cutting the ribbon in Niagara Falls on June 4, 1974, to open the 200th outlet in the Shoppers Drug Mart family of stores, are left to right: Jack Gwartz, President, Shoppers Drug Mart Division; Philip Goldman, President, Koffler Stores Limited; Bob Mandel, Associate and Murray Koffler, Chairman.

KOFFLER STORES LIMITED

CONSOLIDATED BALANCE SHEET

As at January 31, 1975

ASSETS

	1975	1974
CURRENT		
Short term investment (note 6)	\$ 500,000	\$ 2,248,373
Accounts receivable (note 5b)	6,939,009	4,401,006
Franchise fees receivable	1,334,685	1,376,225
Inventories (note 1c)	5,604,543	6,043,561
Prepaid expenses	189,491	156,823
Mortgages and loans receivable — due within one year	969,448	362,439
	<u>15,537,176</u>	<u>14,588,427</u>
MORTGAGES AND LOANS		
Franchisees (note 2)	5,931,436	4,775,209
Trustee for employees' share purchase plan (note 3)	1,227,363	1,854,686
Trustee for senior executives' share purchase plan (note 4)	746,350	226,000
	<u>7,905,149</u>	<u>6,855,895</u>
INVESTMENT AND ADVANCES		
Pharmaprix Limitée (note 1a)	852,801	438,477
FIXED		
Land and buildings	1,103,345	1,103,345
Equipment	14,636,802	11,441,064
Leasehold improvements	7,077,875	4,899,596
Total, at cost	22,818,022	17,444,005
Accumulated depreciation and amortization (note 1d)	6,828,967	5,771,152
	<u>15,989,055</u>	<u>11,672,853</u>
OTHER		
Goodwill (note 5a)	8,245,300	8,221,123
Store opening and changeover costs, (note 1d)	1,106,048	1,482,855
Cost of leases acquired, (note 1d)	1,120,216	682,519
Deferred charges, unamortized	69,407	101,602
Debenture costs, unamortized (note 7)	328,248	355,426
	<u>10,869,219</u>	<u>10,843,525</u>
	<u>\$51,153,400</u>	<u>\$44,399,177</u>

The accompanying notes are an integral part of the financial statements.

LIABILITIES

	1975	1974
CURRENT		
Bank indebtedness (note 6)	\$ 4,700,780	\$ 901,532
Accounts payable and accrued charges	5,295,070	4,337,882
Long term debt — due within one year (note 7)	883,200	964,140
Income taxes	113,746	797,027
	<u>10,992,796</u>	<u>7,000,581</u>
LONG TERM DEBT (note 7)	<u>14,701,742</u>	<u>13,546,542</u>
DEFERRED INCOME TAXES (note 8)	<u>751,563</u>	<u>551,698</u>

SHAREHOLDERS' EQUITY

SHARE CAPITAL (note 9)

Authorized		
2,974,900 First preference shares with a par value of \$10 each, issuable in series		
2,921,700 Second preference shares, without par value, issuable in series		
16,000,000 Common shares, without par value		
Issued		
574,900 7% cumulative, redeemable, first preference shares, series A (1974 — 575,800)	5,749,000	5,758,000
162,400 Redeemable, convertible second preference shares, series A (1974 — 240,700)	1,258,600	1,865,425
7,218,370 Common shares (1974 — 7,026,370)	6,997,186	6,476,836
CONTRIBUTED SURPLUS (note 9)	19,014	17,764
RETAINED EARNINGS	<u>10,683,499</u>	<u>9,182,331</u>
	<u>24,707,299</u>	<u>23,300,356</u>
	<u>\$51,153,400</u>	<u>\$44,399,177</u>

ON BEHALF OF THE BOARD

M. B. KOFFLER, *Director*

P. W. GOLDMAN, *Director*

KOFFLER STORES LIMITED

CONSOLIDATED STATEMENT OF EARNINGS

For the year ended January 31, 1975

	<u>1975</u>	<u>1974</u>
INCOME		
Shoppers Drug Mart Division		
— Franchise fees (based on sales by franchised stores of \$177,735,615 in 1975 and \$136,821,284 in 1974) and other income (note 1e)	\$12,088,101	\$10,654,194
— Sales by wholly-owned stores	<u>22,140,222</u>	<u>10,068,539</u>
	34,228,323	20,722,733
Embassy Cleaners Division		
— Sales	<u>5,045,638</u>	<u>4,129,738</u>
	<u>\$39,273,961</u>	<u>\$24,852,471</u>
EARNINGS FROM OPERATIONS BEFORE THE FOLLOWING CHARGES	\$10,355,288	\$ 9,816,629
Depreciation and amortization (note 1d)	1,782,148	1,364,706
Amortization of store opening and changeover costs (note 1d)	490,883	418,432
Interest — long term debt	1,331,774	1,338,548
— other	<u>249,381</u>	<u>128,053</u>
EARNINGS FROM CONTINUING OPERATIONS — RETAIL	6,501,102	6,566,890
Loss from discontinued operations — wholesale (note 5b)	(587,517)	(313,978)
Investment loss — Pharmaprix Limitée (note 1a)	<u>(334,500)</u>	<u>(27,780)</u>
EARNINGS BEFORE INCOME TAXES AND EXTRAORDINARY ITEMS	5,579,085	6,225,132
Income taxes (note 8)	<u>2,945,043</u>	<u>3,139,818</u>
EARNINGS BEFORE EXTRAORDINARY ITEMS	2,634,042	3,085,314
Extraordinary gain on sale of investments and properties	—	111,923
NET EARNINGS FOR YEAR	<u>\$ 2,634,042</u>	<u>\$ 3,197,237</u>
EARNINGS PER COMMON SHARE (note 10)		
From continuing operations — Retail	\$.35	\$.40
From discontinued operations (loss) — Wholesale	<u>(.04)</u>	<u>(.02)</u>
Before extraordinary items	<u>\$.31</u>	<u>\$.38</u>
Net for the year	<u>\$.31</u>	<u>\$.40</u>

The accompanying notes are an integral part of the financial statements.

KOFFLER STORES LIMITED

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

For the year ended January 31, 1975

	<u>1975</u>	<u>1974</u>
Balance, beginning of year		
— as previously reported	\$ 9,259,899	\$ 7,183,123
— adjustment of prior years' income taxes	<u>77,568</u>	<u>77,568</u>
— as restated	9,182,331	7,105,555
Net earnings for year	<u>2,634,042</u>	<u>3,197,237</u>
	<u>11,816,373</u>	<u>10,302,792</u>
Dividends paid		
Common — 10¢ per share (1974 — 10¢ per share)	709,187	702,528
First preference — 70¢ per share (1974 — 70¢ per share)	402,587	411,915
Second preference — 10¢ per share (1974 — 2.5¢ per share)	<u>21,100</u>	<u>6,018</u>
	<u>1,132,874</u>	<u>1,120,461</u>
Balance, end of year	<u>\$10,683,499</u>	<u>\$ 9,182,331</u>

KOFFLER STORES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended January 31, 1975

	<u>1975</u>	<u>1974</u>
FUNDS WERE PROVIDED FROM:		
Operations		
Net earnings for year	\$ 2,634,042	\$ 3,197,237
Depreciation, amortization and recovery of store opening costs	2,826,858	2,225,397
Deferred income taxes	199,865	(273,034)
Investment loss — Pharmaprix Limitée (net of tax)	158,000	13,890
	<u>5,818,765</u>	<u>5,163,490</u>
Increase in long term debt (note 7)	1,155,200	(958,874)
Issue of common shares (note 9)	520,350	51,196
Employees' share purchase plan repayments and redemptions (note 3)	627,323	(1,854,686)
	<u>8,121,638</u>	<u>2,401,126</u>
FUNDS WERE USED FOR:		
Loans to officers for purchase of common shares (note 4)	520,350	(5,000)
Purchase and cancellation of first preference shares (note 9)	7,750	224,236
Net proceeds of second preference shares (note 9)	606,825	(1,865,425)
Purchase of fixed assets, net of disposals (note 5)	6,057,660	2,571,796
Mortgages and loans to franchisees (note 2)	1,156,227	(342,815)
Opening expenses of new stores	523,333	114,079
Cost of leases acquired (note 5a)	538,308	43,000
Deferred charges	24,250	17,069
Goodwill (note 5a)	25,203	278,500
Investment and advances to Pharmaprix Limitée	572,324	284,999
Dividends paid	1,132,874	1,120,461
	<u>11,165,104</u>	<u>2,440,900</u>
DECREASE IN WORKING CAPITAL	<u>\$ 3,043,466</u>	<u>\$ 39,774</u>

The accompanying notes are an integral part of the financial statements.

Consolidated Statement of Changes in Financial Position (continued)

	<u>1975</u>	<u>1974</u>
CHANGES IN WORKING CAPITAL COMPONENTS:		
Current assets — increase (decrease)		
Short term investments	(\$ 1,748,373)	(\$ 1,086,227)
Accounts receivable (note 5b)	2,538,003	1,537,634
Franchise fees receivable	(41,540)	194,402
Mortgages and loans receivable, due within one year	607,009	(1,003,464)
Inventories	(439,018)	436,831
Prepaid expenses	32,668	(2,980)
Short term realty investment	—	(360,490)
	<u>948,749</u>	<u>(284,294)</u>
Current liabilities — decrease (increase)		
Bank indebtedness	(3,799,248)	520,164
Notes payable — short term	—	1,495,619
Accounts payable and accrued liabilities	(957,188)	(1,317,182)
Long term debt, due within one year	80,940	196,142
Mortgage payable on short term realty investment	—	287,092
Income taxes payable	683,281	(937,315)
	<u>(3,992,215)</u>	<u>244,520</u>
DECREASE IN WORKING CAPITAL	<u>3,043,466</u>	<u>39,774</u>
WORKING CAPITAL, BEGINNING OF YEAR	<u>7,587,846</u>	<u>7,627,620</u>
WORKING CAPITAL, END OF YEAR	<u>\$ 4,544,380</u>	<u>\$ 7,587,846</u>

AUDITORS' REPORT

To the shareholders of
Koffler Stores Limited:

We have examined the consolidated balance sheet of Koffler Stores Limited and subsidiary companies as at January 31, 1975, and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination of the financial statements of Koffler Stores Limited (the parent company) and those subsidiaries of which we are the auditors, 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. We have relied on the reports of the auditors who have examined the financial statements of the other subsidiaries.

In our opinion, these consolidated financial statements present fairly the financial position of the companies as at January 31, 1975, and the results of their operations and changes in their financial position for the year then ended, in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

Toronto, Canada,
April 18, 1975

WM. EISENBERG & CO.
Chartered Accountants

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at January 31, 1975

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation

The consolidated financial statements include the accounts of all the subsidiaries of the company from their date of acquisition (accounted for by the "purchase method"). All significant intercompany loans and transactions have been eliminated on consolidation. The 1974 comparative figures have been reclassified, where applicable, to conform with the presentation used in the current year. The company accounts for its 50% investment in Pharmaprix Limitée, a corporate joint venture with Steinberg's Limited, by the "equity method" (cost less the company's share of net losses since incorporation).

b. Goodwill

Goodwill acquired prior to April 1, 1974 was recorded and carried at cost and is not being amortized because, in the opinion of management, its value has not been impaired. Goodwill on acquisitions after March 31, 1974 will be amortized to income by the straight-line method over its estimated useful life, in accordance with recent recommendations of the Canadian Institute of Chartered Accountants.

c. Inventories

Inventories are valued at the lower of approximate cost and net realizable value.

d. Depreciation and amortization

<u>Kind of Asset</u>		<u>Basis</u>
Buildings	— Embassy Cleaners, constructed on land leased until 1982	Over unexpired term of lease
	— Western drug division	
Equipment	— All divisions	5% reducing balance
Leases acquired and leasehold improvements	— Western drug division	10% straight-line
	— Other	10% straight-line
Store opening and changeover costs, deferred	— All divisions	Term of leases, straight-line
		Straight-line to a maximum of four years

e. Income recognition

Franchise fees are based on a variable percentage of retail store sales and are recorded monthly as earned. In certain cases, the fee is subject to final negotiation with the franchisee after the annual operating results of the store are known.

NOTE 2 MORTGAGES AND LOANS – FRANCHISEES

This represents amounts due without interest from certain franchisees for drug store businesses originally owned by the company or amounts loaned to certain franchisees upon their opening new stores. As security for payment, the company holds, or is in the process of registering, a chattel mortgage or a debenture on the store inventory of the franchisee, which, except for an agreed amount repayable over a stated period, is repayable on the termination of the franchise agreement.

NOTE 3 EMPLOYEES' SHARE PURCHASE PLAN

The second preference shares, series A (note 9) have been issued to the trustee of the company's employees' share purchase plan at a price of \$7.75 per share, equal to the closing market price on the Toronto Stock Exchange on September 24, 1973. To facilitate the purchase of these shares, the company has loaned the money to the trustee, to be applied by it in payment of the said preference shares. This loan will be repaid, without interest, over a period not exceeding ten years. These shares are convertible on a one-for-one basis into common shares and are redeemable at the option of the holder at the issue price at any time. The quoted market value of the common shares on April 18, 1975 was below the conversion price.

NOTE 4 SENIOR EXECUTIVES' SHARE PURCHASE PLAN

Common shares have been issued from the Treasury (note 9) to certain senior officers of the company at the closing market prices on the Toronto Stock Exchange at the date of issue. The company has loaned the subscription price to trustees on behalf of the senior officers to purchase these common shares, which are held by the trustees as security. These loans will be repaid, without interest, over a period not exceeding ten years.

NOTE 5 ACQUISITIONS AND DISPOSALS

- (a) During the year the company acquired the operating assets of 26 Lord's Pharmacies for a total consideration of \$2,401,678, for fixed assets (\$844,997) inventories (\$1,556,678) and goodwill (\$3).

In addition, three other stores were acquired for a total consideration of \$493,025 of which \$25,200 was attributed to goodwill.

- (b) During the year the company sold the operating assets of its western wholesale subsidiary for \$2,684,396 and ceased its wholesale operations. Included in accounts receivable is \$2,584,396 which is due on September 29, 1975 with interest at prime bank rate. The purchaser has the right to deliver an acceptable fixed and floating charge debenture to defer one-third of the payments to each of September, 1976 and September, 1977.

The operating loss to the date of sale and the non-recurring loss on the sale have been included in the loss from discontinued operations and the 1974 figures have been reclassified accordingly. Sales to outsiders and franchisees were \$9,309,254 in 1975 and \$11,573,609 in 1974.

NOTE 6 BANK INDEBTEDNESS

Bank indebtedness is secured by a pledge of shares of certain subsidiary companies and the short term investment.

NOTE 7 LONG TERM DEBT

		1975	
	Total Outstanding	Due Within One Year	1974
Bank term loans			
— due April 1, 1978, secured by shares of subsidiaries in the Western drug division	\$ 2,625,000	\$750,000	\$ 3,375,000
— due April 30, 1976, unsecured	2,375,000	—	—
Industrial Development Bank — 8-1/2%, due 1978, secured by chattel mortgages on fixed assets	59,400	19,800	79,192
Mortgages, notes and agreements			
— 6-10%, due 1974 — 1980	269,542	113,400	393,490
Sinking fund debentures (see below)			
— 7%, due July 15, 1984	891,000	—	1,070,000
— 9%, due July 2, 1992	9,365,000	—	9,593,000
	15,584,942	883,200	14,510,682
Due within one year	883,200		964,140
	<u>\$14,701,742</u>		<u>\$13,546,542</u>

The 7% sinking fund debentures are repayable \$100,000 annually until July 15, 1984. The 9% sinking fund debentures issued July 2, 1972 are repayable \$200,000 annually to 1978 and \$500,000 in each of the years 1979 to 1991 inclusive. The company has purchased and cancelled sufficient 9% sinking fund debentures to prepay the requirements for the years ended January 31, 1975 and 1976. The trust indentures contain certain restrictions upon the payment of dividends, the reduction of capital and the mortgaging of assets.

NOTE 8 DEFERRED INCOME TAXES

The company follows the tax allocation basis of accounting whereby timing differences between the income reported for tax purposes and accounting income result in provisions for deferred taxes (principally fixed asset depreciation and store opening and changeover costs written off). These deferred income taxes have been reduced by approximately \$155,000 in the year (\$522,000 to January 31, 1975) by carrying forward operating losses incurred by certain subsidiaries in the Western drug division.

NOTE 9 SHARE CAPITAL

During the year, 900 first preference shares, series A, having a par value of \$9,000 were purchased for cancellation for \$7,750, the discount of \$1,250 (1974 — \$17,764) being credited to contributed surplus.

During fiscal 1974, the company created 3,000,000 second preference shares without par value, issuable in series, of which 250,000 were designated as series A. This series is redeemable at \$7.75 per share and bears dividends at the same rate as the common shares (after declaration of dividends on the first preference shares). Subject to certain restrictions, they are

NOTES (continued)

convertible on a one-for-one basis into common shares. A total of 240,700 shares of this class were allocated to the trustees of the employees' share purchase plan in 1974, of which 78,300 shares were redeemed in 1975 (note 3).

Date		Common Shares Issued	
		Number	Value
January 31, 1974	Common shares outstanding	7,026,370	\$6,476,836
	Senior executives' share purchase plan (note 4):		
May 31, 1974	— at \$4.55	35,000	159,250
December 18, 1974	— at \$2.30	157,000	361,100
January 31, 1975	Common shares outstanding	<u>7,218,370</u>	<u>\$6,997,186</u>

The company has reserved common shares for issuance as follows:

	Common Shares
Options	
— \$4.50 per share granted to five employees in July, 1970, exercisable 10% per year for 10 years on a non-cumulative basis	9,100
— \$5.50 per share granted to an employee in December, 1971, cumulatively exercisable as to 20% in each year for 5 years	12,000
Warrants	
— \$6.38 per share issued in March, 1971, exercisable until January 30, 1976	<u>599,530</u>
	<u>620,630</u>

NOTE 10 EARNINGS PER COMMON SHARE

Earnings per common share have been calculated on the weighted monthly average number of common shares outstanding during each year after cumulative dividend requirements on the series A first preference shares and on the series A second preference shares.

NOTE 11 REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

During the year, the aggregate direct remuneration paid or payable to the directors and senior officers of the company as defined by the Ontario Business Corporations Act was \$487,000.

NOTE 12 LONG TERM LEASES

The minimum annual rentals payable under long term leases in effect at January 31, 1975 expiring at various dates up to 1999 for store locations and warehouse facilities (exclusive of occupancy charges and additional rent payable based on a percentage of gross sales) will be as follows for the year ending January 31, 1976:

Total rental obligations	\$7,006,000
Deduct rental obligations assumed by franchisees	<u>5,731,000</u>
Net rental obligations	<u>\$1,275,000</u>

NOTE 13 CONTINGENT LIABILITIES

The company has guaranteed bank loans to certain franchisees. The total of these guarantees was \$8,405,000, of which the outstanding indebtedness of the franchisees was \$4,035,000 at January 31, 1975.

The company is jointly and severally liable, together with Steinberg's Limited as guarantor of leases expiring up to 1995 for subscribers to Pharmaprix Limitée, as follows for the year ending January 31, 1976:

Total minimum annual rental	\$728,129
Subscribers' expected annual rental	<u>711,888</u>
Net minimum annual rental (Quebec office)	<u>\$ 16,241</u>

The company has guaranteed the bank loan of Pharmaprix Limitée to a maximum of \$500,000.

DIRECTORY OF RETAIL UNITS, ASSOCIATES AND PHARMACISTS



yukon territory

Whitehorse

205 Main Street
Ed Demchuk

british columbia

Abbotsford

Fraser Park Shopping Centre
Lou Simoes

Burnaby

Lougheed Mall
Ron Chong
Lougheed Mall
Fay Loy
(Woolco Drugs)

Chilliwack

419 Yale Road West
Laurie Maxwell

Coquitlam

548 Clarke Road
Ed Little

Dawson Creek

1025 102nd Avenue
Ray Heide

Delta

1250 56th Street
Jim Netherton
11928 88th Avenue
Doug McCallum

Duncan

350 Trunk Road
Dennis Shepherd

Kamloops

2121 East Trans Canada Highway
Liam Browne

Kelowna

Orchard Park Shopping Centre
Terry Morrison

Langley

20555 56th Avenue
Ray McConnell

Mission City

33166 Main Street
Trevor Lee

Nanaimo

648 Terminal Avenue
Dave Young
1533 Estevan Road
Ken Medland
2183 Departure Bay Road
Murray McIntyre

New Westminster

595 6th Street
Vince Yap

North Burnaby

4012 East Hastings Street
Ernie Kowalchuk

North Vancouver

Westview Shopping Centre
Dev Kullar

925 Marine Drive

Hoy Seto
(Woolco Drugs)

935 Marine Drive
Larry Erwin

Osoyoos

Main Street
Mike Westcott

Penticton

1355 Main Street
Vern Saunders

Port Alberni

740 10th Ave. North
Gil Reilly

Prince George

737 Central Street West
Doug MacLise

3125 Massey Drive
Graham Statham

Quesnel

213 St. Laurent Ave.
Brian Grant

Richmond

601 No. 3 Road
Chuck Ingvaldson

Sidney

2341 Beacon Avenue
Orest Hykawy

South Burnaby

4429 Kingsway
Hugh Ritchie
7155 Kingsway
Bob Spevakow

Surrey

10389 King George Highway
Len Pastuck

10654 King George Highway
Laurie McFadden
(Surrey Drugs)

5790-175th St., Cloverdale
Bob Foreman

10085 King George Highway
Dave Stockley

Terrace

4635 Lakelse Ave.
Cliff Proceviat

Vancouver

1020 Denman Street
Frank Kwan

2947 Granville Street
Bob Porte

1098 Robson Street
Shiro Kihara

4101 Main Street
Vic Hodge

2404 East Hastings Street
John Parker

6295 Fraser Street
Cy Smith

5723 Victoria Drive
Bob Koo



Consumer Relations — popular new Consumer Health Education Centres in our stores enable customers to catch up on the latest in health-related subjects.

Management Training — Western Region Associates respond to a question at a Koffler Academy Management Seminar.



DIRECTORY OF RETAIL UNITS, ASSOCIATES AND PHARMACISTS (continued)



For over 15 years, Beauty Consultant Joyce Holmes has created a large clientele. Here she describes a new eye shadow product to one of her many satisfied customers.

At an Atlantic Region seminar, Pharmacist Cindy Somers and a colleague examine one of the beauty products featured in our cosmetic departments.



904 West King Edward Ave.
Mike Slade
2225 West 41st Ave.
Ted Daem
2302 West 4th Ave.
Alex Thomson
8384 Granville Street
Lyll Inglis
2979 West Broadway
Al Young
1625 Robson Street
Art Chin
1850 Commercial Drive
Gordon Slobin
1195 Davie Street
Cec Munro
2501 Commercial Drive
John Frumento
370 E. Broadway
Jim Bobb

Vernon

3401 30th Avenue
Frank Gratton

Victoria

1955 Fort Street
Jack Johnston
1302 Douglas Street
Betty Elliott
3104 Shelbourne Street
Mel Webb
3575 Douglas Street
Joyce Anderson
2947 Tillicum Road
Bert Davidson
3601 Douglas Street
Paul Kwari
(Woolco Drugs)

West Vancouver

1583 Marine Drive
George Graham

Williams Lake

190A Oliver Street
Hugh MacLise
Boitania Mall
Sandra Sutherland

alberta

Calgary

1515-8th St. S.W.
Ken Whiteley
5601-4th Street N.W.
Dick Johnson
1919 Southland Drive S.W.
Jamie Raisbeck
755 Lake Bonavista Drive
Stan Dabisza
3233-17 Ave. S.E.
Clarence Paulson
5111 Northland Dr. N.W.
Randy Frohlich
100 Anderson Rd. S.E.
Ed Tanaka

Edmonton

15557 Stony Plain Road
Stan Miller
7620 - 144 Ave.
Rob Taylor
8210 - 109th St.
Bob Robbins
66 St. & 137 Ave.
Ernie Libech
87 Ave. & 156 St.
Dave Ritchie

Grand Prairie

11801 - 100 St.
Doug Bain

Fort Saskatchewan

Fort Shoppers Mall
Gene Chipeniuk

Lethbridge

1240 2A Avenue North
Ernie Hendricks

saskatchewan

Prince Albert

2995 2nd Ave. W.
Maurice McCrea

Moose Jaw

1235 Main St. N.
Neil Maskell

Regina

Southland Mall
Rod Kaufman

manitoba

Winnipeg

Garden City Shopping Centre
Allan Schacter
Fort Richmond Mall, Fort Garry
Don Johnson/Bev Lloyd
297 Portage Avenue
Danny Gutkin
1112 Main Street
Harry Kaplan

ontario

Barrie

Barrie Shopping Centre
Chris Mitchell
Georgian Mall
Bud Sitka

Belleville

Quinte Mall
Charles Elliott

Bramalea

Avondale Shopping Centre
Irv Wallen
Bramalea City Centre
Morris Weldman

Brampton

Peel Village Centre
Harry Wayne
Brampton Shopping Centre
Phil Rosenberg

Brantford

Lynden Park Mall
Ron Korpesio

Burlington

Burlington Mall
Fraser Halliwell
Guelph Line & Upper Middle Road
Paul Waisberg

Cambridge

Highland Shopping Centre
Robert Webster
John Galt Shopping Centre
Clayton McFadden
Willow West Mall
Sid Kadish
Eramosa Heights
Mike Paul
Stone Road Mall
Jim Feren

Chatham

170 King Street W.
W. L. Beatty

Dundas

University Plaza
Morton Green

Fort Erie

Country Fair Mall
Alfred Liu

Georgetown

Georgetown Market Place
Ian Sussman

Hamilton

101 Main Street East
George Irving
Hamilton Mountain Centre
Bob McFadgen
Greater Hamilton Shopping Centre
Joe Rosenkrantz
Main & Hess
Rick Longworth
Harvard Square
Joe J. Feldt

Kapuskasing

Model City Mall
Dennis Rossi

Kingston

2435 Princess Street
Murray Turesski
(Sentry Drug Dept.)
103 Princess Street
Jim Twigg

Kitchener

109 King Street West
Ken Relph

London

Northland Centre
Norm Weingarten
Nelson Plaza
Don McPhee
Westmount Mall
Albert Levy

Sherwood Forest Mall
Sid Steinberg

Malton

Westwood Mall
Bob Katz

Mississauga

Sheridan Mall
Robert Wright
2500 Hurontario Street
Seymour Wilder
Rockwood Mall
Bob Levy

Newmarket

Upper Canada Mall
Ken Rose

Niagara Falls

4656 Erie Street
Jack Silverstein
Town and Country Plaza
Bob Mandel

North Bay

2025 Cassells Street
Larry Sweig

Oakville

Oaktown Plaza
Gerald Chaplick
Oak-Queen Mall
Ed Vlahov

Oshawa

Midtown Mall
Gus Miller
285 Taunton Road East
John Bird

Ottawa

St. Laurent Plaza
Ed Bucovy
1468 Merivale Road
Klemens Armasz
(G.E.M. Drug Dept.)
161 Bank Street
Earl Hubbard/Joe Brown
(Beamish Drug Dept.)
1830 Bank Street
Brian Relph
1430 Prince of Wales Dr.
Jim Bishop

Fairlawn
Derek Abdalla
Beacon Hill
Peter Tomala

Peterborough

Peterborough Square
Bob Bond

Pickering

Sheridan Mall
Barry Kawarsky

St. Catharines

Midtown Shopping Centre
Joe Greco
Pen Shopping Centre
Howard Lackie



On June 10, 1974 Koffler Stores (Western) Limited opened its new headquarters in Vancouver. Seen conversing with guests are David MacDonald, President of the Western Region and Murray Koffler, Chairman of the Board.

Visitors to Chicoutimi, Quebec, will find a drug store with a familiar look. It is owned and operated by Pharmaprix subscriber Jean Quintal.



DIRECTORY OF RETAIL UNITS, ASSOCIATES AND PHARMACISTS (continued)



Chatham Mayor Doug Allen; Hugh Gibson, Director of Real Estate; Bill Beatty and Allan Young, Director of Store Openings help to open the Chatham store.

Sarnia

1125 London Road
Ron Surman
(Sentry Drug Dept.)

Sault Ste. Marie

50 Great Northern Road
Bob Miller/Lila Ocampo
(Sentry Drug Dept.)

Sudbury

1542 Lasalle Blvd.
Merv Moskalyk

Timmins

206 Third Ave.
John Wilson

Thornhill

Royal Orchard Shopping Centre
Danny Kohn

Trenton

23 Dundas St. E.
Dave Karn

Windsor

2491 Dougall Rd.
Reg Ackerman
(Sentry Drug Dept.)

Devonshire Mall

Ron Radwick

Tecumseh Mall

Russ Foster

University Mall

Laurie Moroney

Welland

Seaway Mall

Barry Ray

Metropolitan Toronto

Shoppers World

Charles Hudes

3089 Dufferin Street

Arthur Resnick

Four Seasons Sheraton Hotel

Merv Gollom

West Side Mall

Stanley Lefler

467 Parliament Street

Issie Snyder

Humbertown Shopping Centre

Arnold Stein

Thorncliffe Market Place

Pinny Saiger

Yorkdale Shopping Centre

Herb Binder

St. Jamestown

Terry Gudofsky

160 Springhurst

Ben Lokach

360A Bloor Street West

Stan Greisman/Ossie Lusthouse

855 Kingston Road

Manny Rosenberg

2365 Warden Avenue

Joseph Fox

Don Mills Centre

Thomas Roe

Parkwoods Centre

Jack Roden

Crang Plaza

Ed Lee

Downsview Plaza

Joe Waltman

Jane/Finch Mall

Barry Phillips

Sherway Gardens

Oscar Goodman

Swansea Shopping Centre

Stan Swartz

Rexdale Plaza

Murray Winkler

Eglinton Square Shopping Centre

Murray Grossman

Parkway Plaza

Gerry Ziedenberg

Cedarbrae Plaza

Milton Davis

Cliffcrest Plaza

Marv Silver/Irv Kraft

2428 Eglinton Avenue East

Bernie Steinberg

695 McCowan Road

Ed Zeit

Scarborough Town Centre

Marv Turk

Finchdale Plaza

Percy Spencer

Martinway Plaza

Hank Mazurkiewich

York Mills Centre

Barry Haberman

York Mills Centre

Barry Haberman

(The York Miller)

Northtown Shopping Centre

Robert Greenspoon

Towne & Countryside Square

Mel Reingold

Finch/Leslie Square

Marv Kopstick

7171 Yonge Street

Fred Kohan

(G.E.M. Drug Dept.)

Fairview Mall

Sheldon Manly

4949 Bathurst Street

Gordon Resnick

Bathurst Village Shopping Centre

Norman Stern

2795 Bathurst Street at Glencairn

Harry Frank

600 The East Mall

Ed Teplitzky

1995 Weston Rd.

Martin Sone

College Square

Murray Gold

99 Avenue Road

Allen Kula

1555 Steeles Avenue East

Jerry Malkin

Three gentlemen and a well-wisher help Ken Relph open his Kitchener store. From left to right, Dave Bloom, Vice President Central Region; Mayor Sid McLennan; the well-wisher; Philip Goldman, President Koffler Stores Limited and Ken Relph, Associate.



20 Bloor Street East
Manny Berkan
2575 Danforth Avenue
Norton Feldman

new brunswick

Bathurst

K-Mart Shopping Centre
Dale Daley

Edmunston

Brunswick Shopping Centre
Ronald Nadeau

Fredericton

York Plaza
Carvel Antworth
Fredericton Shopping Centre
Malcolm G. Thomas

Grand Falls

Grand Falls Shopping Centre
Mrs. Bev Hobbs

Moncton

Highfield Square
Bob Yorston
Mountain Road
Grant MacMellon
Causeway Shopping Centre
Cindy Somers
Champlain Plaza
Doug Winsor
Moncton Mall
John Kearney

Newcastle

Miramichi Shopping Centre
Raymon Mahabar

Saint John

Fairview Plaza
Bob McLean
17 Charlotte Street
Gary Smith
Parkway Mall
Lorne Logan
Loch Lomond Shopping Centre
Reg Ely
Manawagonish Shopping Centre
Bill Redding
Woodstock
Carleton Shopping Centre
Ron Dykeman

nova scotia

Bedford

1336 Bedford Highway
John Cruickshank

Dartmouth

91 Tacoma Drive
Harold Wambolt

Glance Bay

22 Commercial Street
Fred Hiscock

Halifax

1653 Barrington Street
Jim Lord

New Glasgow

798 East River Road
Gary Yorston

New Minas

County Fair Mall
Jim Burchell

Sydney

Sydney Shopping Centre
James Cruickshank

Yarmouth

Yarmouth Mall
William F. Mooney

prince edward island

Charlottetown

Royalty Mall
David Campbell/Jack Stephens

Summerside

County Fair Mall
Mel Paint

newfoundland

Grand Falls

Exploits Valley Mall
Pat O'Keefe

u.s.a.

Palm Beach Gardens, Florida

11586 U.S.A. Highway 1
Steve Reeder

PHARMAPRIX LIMITÉE

Montreal

Cavendish Mall
Henry Ruckenstein
Fleury Shopping Centre
Michel Lesieur
Le Bazar Shopping Centre
Jean Guy Lambert
Van Horne Shopping Centre
Norman Lifshitz

Beaconsfield

Beaconsfield Shopping Centre
Alvin Bloom

Chicoutimi

Place du Royaume Shopping Centre
Jean Quintal

Dorval

Dorval Gardens Shopping Centre
Morton Schwartz

Giffard

Les Galeries Ste. Anne
Gilles Beaulieu

Granby

Les Galeries Granby
Guy Bussiere

Hull

Les Galeries Hull
Andre Lepine



Pharmacist Ron Dykeman and Suzanne Ash welcome guests to the opening of his Woodstock, New Brunswick store.

City Councillors, Mrs. Edna MacGowan and Hartley Green cut the ribbon at Saint John West as cashiers Susan Redding, Fay Hughes, Margaret McCann, Nora Wilkes, Merchandise Manager Lorne MacFarland and Pharmacist Bill Redding look on.



DIRECTORY OF RETAIL UNITS, ASSOCIATES AND PHARMACISTS (continued)



In Trenton, Ontario, Tim Hogan Director of Store Engineering, Pharmacist Dave Karn and Mayor Patrick do the honours.

Laval

Carrefour Laval
Michel St. Georges

Sherbrooke

Centre Commercial Carrefour de
L'Estrie
Gerald Faulkner

St. Jean

Les Galeries Richelieu
Jacques Lafond

Hauterive

Les Galeries Manicouagan
Marcel Locas

Levis

Les Galeries Chagnon
Yves Garon

Terrebonne

Les Galeries de Terrebonne
Floran Benoit

Cleaning Division — EMBASSY CLEANERS

Toronto

331 Bay Street
1696 Bayview Avenue
1025 Bloor Street West
1717 Bloor Street West
560 Church Street
Crescent Town, The Market Place
195 Davenport Road
21 Davisville Avenue
865 Eglinton Avenue West
777 Mt. Pleasant Road
77 Prince Edward Drive
136 Redpath Avenue
77 St. Clair Avenue East
521 St. Clair Avenue West
927B St. Clair Avenue West
Sunnybrook Plaza
660 Eglinton Avenue East
Walmer Road at Bloor
1402 Yonge Street
2346 Yonge Street
2648 Yonge Street
Yonge-Eglinton Centre
Yorkdale Plaza
1650 Yonge Street

Don Mills

Hi-Tone, Don Mills Shopping Centre
Don Mills Shopping Centre
Flemington Park Plaza
747 Don Mills Road
20 Wynford Heights Cres.

Downsview

Jane-Finch Mall
3939 Jane Street
Jane-Sheppard Mall
2514 Jane Street

Etobicoke

Sherway Gardens
25 West Mall
East Mall and Rathburn Rd.

Islington

3008A Bloor Street West

Rexdale

Rexdale Plaza
2267 Islington Avenue

Scarborough

Cedarbrae Plaza
3457 Lawrence Avenue East
Golden Mile Annex Plaza
1541 Victoria Park Avenue
Parkway Plaza
77 Ellesmere Road
2555 Victoria Park Avenue
Warden and Huntingwood

Kennedy and Ellesmere
Scarborough Town Centre

Weston

Martinway Plaza
415 The Westway

Willowdale

Fairview Mall
1800 Sheppard Avenue East
5855 Leslie Street & Dexter
St. Andrews Place
49 The Links
Laureleaf
1535 Steeles Avenue East
4672 Yonge Street

Ajax

Harwood Plaza
300 Harwood Place

Bramalea

Avondale Shopping Centre
34C Avondale
#11 City Centre
Southgate Plaza
700 Balmoral Drive

Brampton

Brampton Mall
160 Main Street South
Shoppers World
499 Main Street South

Burlington

1505 Guelph Line

Clarkson

2225 Erin Mills

Port Credit

Dixie Plaza

Mississauga

Park Royal Plaza
Square One
Southdown Plaza
2458 Dundas Street West
Sheridan Mall
1375 Southdown Road
2500 Hurontario Street
6611 Falconer Drive
4141 Dixie Road

Oshawa

1050 Simcoe Street North

Richmond Hill

445 Markham Road

Thornhill

Bayview Lane
8206 Bayview Avenue

Quality of service and friendliness of staff have earned Embassy Cleaners the right to display this message.



