

ANNUAL REPORT

for the fiscal year ended July 27

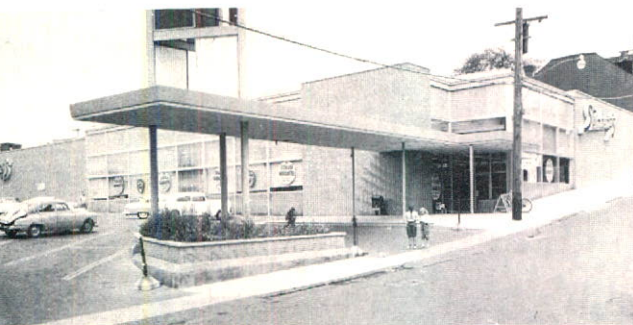
1957



STEINBERG'S LIMITED MONTREAL CANADA



1650 Royale Street,
Three Rivers, Quebec.
Opened September 12, 1956.



15 Leduc Street,
Hull, Quebec.
Opened October 16, 1956.



1001 Curé Labelle Blvd.,
in St. Martin Shopping Centre, near Montreal.
Opened November 7, 1956.



1351 Chambly Road,
in Ville Jacques Cartier Shopping Centre, near Montreal.
Opened April 16, 1957.



400 Lafleur Avenue,
Ville Lasalle, near Montreal.
Opened June 18, 1957.

STEINBERG'S LIMITED

ANNUAL

for the fiscal year ended

FIVE NEW MARKETS

These new Steinberg's supermarkets in Greater Montreal and provincial cities have a combined selling area of 75,348 square feet. All, with the exception of the market in Three Rivers, are one-storey buildings. The Ville Jacques Cartier and St. Martin stores are located in shopping centres with parking capacity for 1,200 and 1,300 cars respectively. The other units stand in their own extensive parking lots.

Our cover photograph shows the popular St. Martin Shopping Centre on the Laurentian Highway north of Montreal, to which 77 percent of the customers come by car.

STEINBERG'S LIMITED AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET AS AT JULY 30, 1955

A S S E T S

<u>CURRENT ASSETS:</u>		
Cash on Hand and in Transit	1,830,213.71	
Short-term Investments - at Cost	1,542,393.75	
Accounts Receivable	469,326.08	
Inventories of Merchandise and Expense Supplies as determined and certified by the Management to be valued at the lower of cost or market	5,205,925.96	
Prepaid Expenses	<u>195,906.19</u>	
<u>TOTAL CURRENT ASSETS</u>		9,243,765.69
<u>OTHER ASSETS:</u>		
Mortgages Receivable	458,606.46	
Advances and Notes Receivable	<u>2,325,752.41</u>	
		2,784,358.87
<u>FIXED ASSETS:- at Cost</u>		
Land	3,708,884.69	
Buildings	7,088,455.84	
Equipment and Fixtures	9,321,236.12	
Automotive Equipment	<u>696,800.87</u>	
	20,815,377.52	
<u>Less: Reserves for Depreciation</u>	<u>5,484,833.88</u>	
<u>TOTAL FIXED ASSETS</u>		15,330,543.64
<u>DEFERRED CHARGES:</u>		
Unamortized Debenture Discount		<u>199,375.00</u>
		<u>\$ 27,558,043.20</u>

APPROVED ON BEHALF OF THE BOARD:

(Signed)..... Sam Steinberg..... Director.

(Signed)..... Max Steinberg..... Director.

STEINBERG'S LIMITED AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEET AS AT JULY 30, 1955

L I A B I L I T I E S

CURRENT LIABILITIES:

Accounts Payable and Accrued Expenses	6,952,424.92
Outstanding Cheques	1,440,201.42
Accrued Interest on Debentures	84,934.97
Income and Profits Taxes Payable	<u>510,720.67</u>

TOTAL CURRENT LIABILITIES 8,988,281.98

Mortgages Payable 325,648.00

Loans Payable 20,000.00

5 $\frac{1}{4}$ % Sinking Fund Debentures due December 1, 1972

Authorized	\$5,000,000.00	
Issued and Outstanding		4,800,000.00

5 $\frac{1}{4}$ % Sinking Fund Debentures due October 1, 1973

Authorized	\$2,500,000.00	
Issued and Outstanding		2,500,000.00

CAPITAL STOCK:

5% Non-Cumulative Redeemable Preferred Stock

Authorized: 220,000 Shares of \$10.00 Par Value	
Issued: 200,069 Shares	<u>\$2,000,690.00</u>
Outstanding: 170,069 Shares	1,700,690.00

Common Stock

Authorized: 3,000 Shares of \$100.00 Par Value	
Issued and Outstanding: 1,000 Shares	100,000.00

CAPITAL SURPLUS arising from Sale of Fixed Assets
under Lease - Purchase Agreements 820,183.35

EARNED SURPLUS (Including \$88,000 paid in Surplus
representing excess sale price of
Common Shares over Par Value)

Balance at Credit 8,303,239.87

\$ 27,558,043.20

Submitted with our accompanying Report to the
Shareholders of this date.

Signed:

WILSON, BIRNIE & SEYMOUR, Chartered Accountants.
MONTREAL, September 21, 1955.



EARNINGS STATEMENT

LINEN BOND

—RAG CONTENT—CANADA—

STEINBERG'S LIMITED AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

YEAR ENDED JULY 30, 1955

SALES		<u>101,753,993.55</u>
Profit from operations after Cost of Sales including Administrative and General Expenses		5,516,223.13
<u>Add:</u> Miscellaneous Income	62,620.05	
Income from Investments	<u>75,331.41</u>	<u>137,951.46</u>
		5,654,174.59
<u>Deduct:</u> Store Rentals (Ordinary Leases)		<u>486,084.85</u>
		5,168,089.74
Provision for Depreciation		<u>1,309,698.84</u>
		3,858,390.90
Interest Portion of Payments under Lease-Purchase Agreements	193,892.12	
Interest on Debentures	<u>389,374.26</u>	<u>583,266.38</u>
		3,275,124.52
Profit-Sharing Pension Contribution		<u>151,803.51</u>
		3,123,321.01
Principal Portion of Payments under Lease-Purchase Agreements	107,303.12	
Provision for Income and Profits Taxes	<u>1,232,320.67</u>	<u>1,339,623.79</u>
<u>NET PROFIT FOR THE YEAR</u>		<u>\$ 1,783,697.22</u>

MONTREAL CANADA

REPORT

July 27, 1957

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Sam Steinberg,
President and Managing Director
of Steinberg's Limited.



SUMMARY OF THE YEAR

Total sales volume \$132,431,428

10.3 percent increase in sales over previous fiscal year

\$2,397,023 net profit

53 retail stores in operation as at July 27, 1957

Highest average sales per food store in Canada

10 locations in shopping centres as at July 27, 1957

Five store openings during year

52,000 square feet added to total plant and warehouse space

528,454 tons of merchandise handled

13 new members of 20-Year Club

Packaging Association of Canada Golden "PAC" Award, 1956

Brand Name Retailer-of-the-Year Award, 1956

THE PRESIDENT REPORTS:

“Our service to growing communities has brought another successful year”

I am happy to report that our Company's long-standing policy of placing the customer's interests first, in everything we do, has resulted in another very satisfactory year.

Each week, in 53 Steinberg's stores, we serve the needs of more than a half million shoppers. The encouraging figures on the financial pages of this Report reflect our success in meeting the demands of a fast growing population for modern food and household shopping facilities.

Gross sales during the fiscal year ended July 27, 1957 amounted to \$132,431,428, setting a new record for the Company, and exceeding last year's record of \$120,019,663 by 10.3 percent.

Net profit for the year increased by \$387,771 to \$2,397,023, a gain of 19.3 percent over 1956. \$262,500 of profit was paid to the preferred shareholders and the balance will remain in the Surplus Account.

During the fiscal year, the Company opened five new supermarkets in the Province of Quebec, three of them in Greater Montreal, the others in Hull and Three Rivers respectively.

Two of these stores, built in brand-new shopping centres at St. Martin and Ville Jacques Cartier, brought the total of Steinberg's stores in shopping centres to 10. The volume of business already built up by the St. Martin store (north of the island of Montreal) and the Jacques Cartier store (on the south shore of the St. Lawrence River) endorses our early support of the shopping centre principle.

We believe that the well planned, integrated shopping centre is the best means of catering to residents of the new housing developments and suburbs springing up around our cities. By entering such a centre, we help to attract other progressive retailers who, along with us, provide all the basic needs of the suburban household. Evening shopping hours and ample free parking facilities combine, in one convenient location, to make marketing a pleasant family outing.

Each of the new supermarkets opened during the fiscal year is of distinctive design, architecturally at home in its environment. Each incorporates the most advanced ideas in layout, decor and lighting. Treatments of exteriors and interiors continued the trend (which our store planners helped to pioneer in the supermarket industry) toward exciting use of colour, coupled with fine-grained woods, ceramic tiles, decorative metals, glass and other beautiful materials. In our

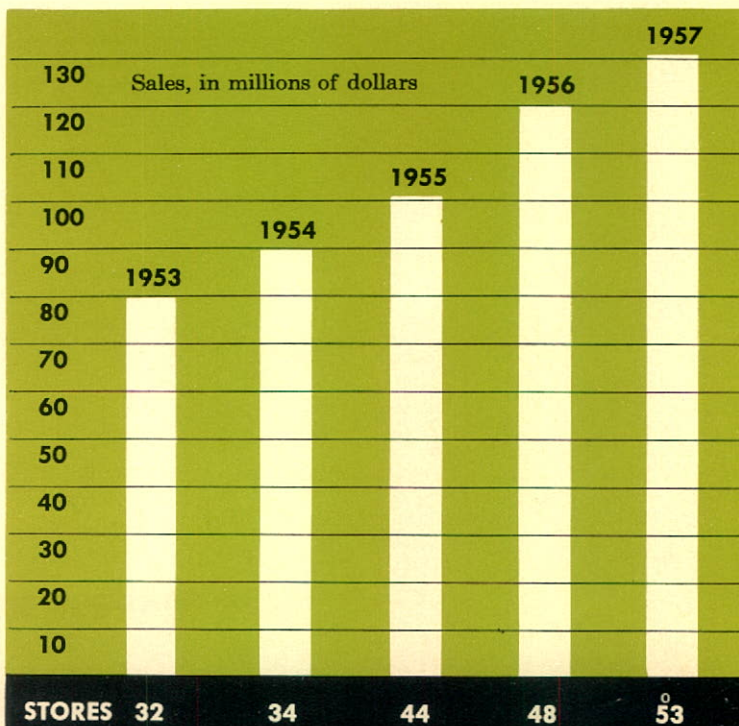
experience, a well designed supermarket costs no more than a poorly designed one. Our buildings are not standardized in appearance, and every effort is made to ensure that each store will be a source of pride to its community.

The Company's 1956-1957 construction program, as in previous years, drew upon Canadian materials and skills to create wide employment for local building trades. In Montreal alone, some 200 companies catered to our construction needs, while over 500 Canadian suppliers equipped the completed stores. Our stores are designed for greater comfort and convenience for the customer.

Our newest supermarkets combine the most outstanding features of layout, equipment and customer

SALES VOLUME

The 10.3 percent gain in gross sales over the previous fiscal year resulted from new stores put into operation and increased acceptance of the Company's merchandising policies. It follows the steady growth pattern illustrated below. Greater productivity and streamlined distribution permit efficient operation, hold retail prices at the lowest possible level. Annual sales in relation to every hour worked by an employee have improved by over 35 percent since 1950.



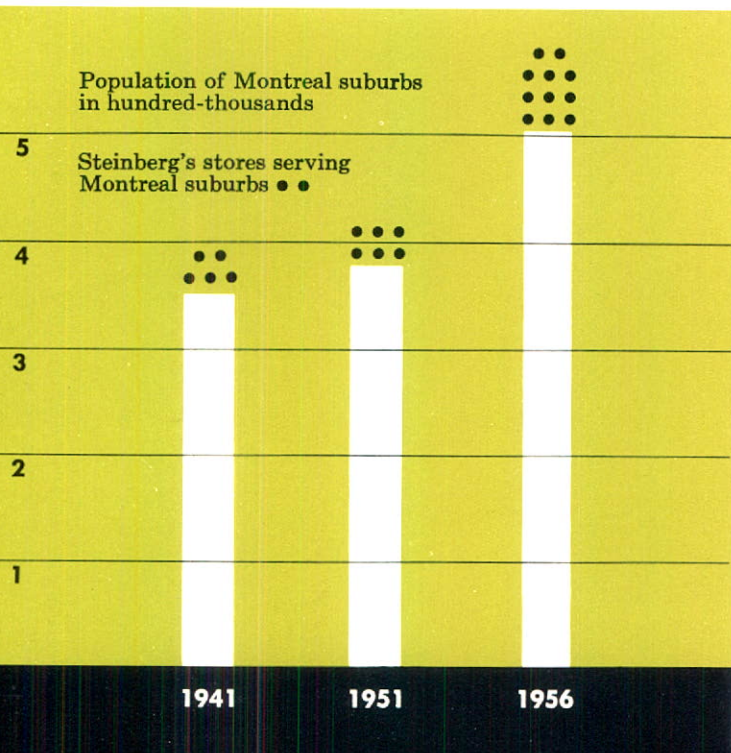


HOW WE SERVE THE SUBURBS

Five Steinberg's stores in Montreal suburbs now stay open three nights a week for the convenience of customers who prefer to shop by car after their day's work. The supermarket at St. Martin (above) is one of two new units opened in outlying shopping centres in the Montreal area. It attracts customers from a radius of 10 miles, and its carpark loading depot serves thousands of family cars every week.

PLANNED GROWTH

Since the 1941 census, Montreal's suburbs have grown at a much faster rate than the city itself. Steinberg's expansion follows the trend toward suburban living: 11 markets now serve Montreal suburbs, as against five in 1941. Other operating units comprise 30 in Montreal city, three in Ottawa, two in Quebec City, one in Arvida, Chicoutimi, Shawinigan Falls, Cap-de-la-Madeleine, Sherbrooke, Three Rivers and Hull.



“Every new store is a source of pride to its community”

services introduced by the Company over recent years. Their one-storey construction, in which areas for receiving and holding stock are on the same level as the selling floor, made possible substantial savings in building costs. This elimination of basement stock-rooms also permits greater operating efficiency.

The decision to erect one-storey supermarkets is an outcome of the Company's improved methods of operation. With materials handling and distribution flow developed to a fine science, less holding room is required at store level. As a result, space allotted to service operations in the new markets can be reduced to 35 percent of the total floor space, leaving the rest for selling. This is a dramatic change from two-storey buildings where the sales floor occupied, on average, only 40 percent of the total floor space.

A record 528,454 tons, equivalent to 25,000 freightcar loads, were handled during the fiscal year by the Company's warehousing division. Steps were taken to treble the holding and shipping capacity for frozen foods, and plans were completed for further warehouse extension to keep pace with the current store expansion program.

The installation in September 1956 of the latest electronic tabulating and computing equipment at head office has benefited all departments. This system greatly reduces clerical work, speeds day-to-day operations between warehouse and stores, and permits closer control of inventory.

Our food processing and packaging operations reached a record output of over 30 million packages. Exacting standards of scientific quality control were maintained throughout the year in every branch of food storage, processing, packaging and transport.



HOW WE SERVE THE CUSTOMER

A wider choice of non-food merchandise caters to the customer's wish to shop for all household needs under one roof. Free parking, delivery services, parcel checkstands, air conditioning, background music and other features make her shopping trip more pleasurable. Her preferences are carefully studied in the selection of top quality premium articles made available in exchange for her pink cash slips.

VARIETY OF STOCK

In 1930, a typical Steinberg's store stocked about 700 different items of merchandise. Today it carries over 5,000, including 3,000 brand name products. Advances in food processing, packaging and distribution continue to multiply the number of new lines, especially in frozen foods. The non-food department has grown at spectacular pace, and now stocks 1,000 items of housewares, clothing, toys, toiletries, drugs and other goods.

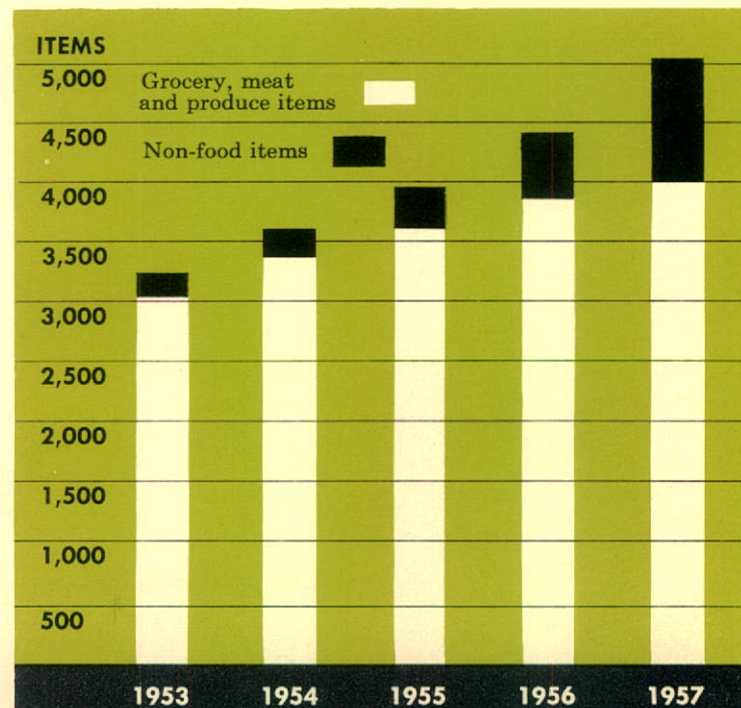
Various improved processes and equipment were introduced at the central warehouse, which includes a large meat warehouse, a delicatessen and bakery plant, cooling rooms for fresh produce, ripening rooms for bananas, refrigerated rooms for frozen foods, a department where coffee is roasted, ground and packaged, and separate operations for packaging tea, nuts, butter, tomatoes, potatoes and other foodstuffs.

New types of racks were installed to increase the capacity of the modern meat warehouse, where beef is carefully aged under precise temperature and refrigeration control. This warehouse is under full-time Federal inspection—a facility granted only to plants which maintain the highest standards of sanitation, equipment and supervision.

The capacity of the bakery was doubled, to meet the increased demand for quality baked goods sold under the "Big City" brand name. The delicatessen plant increased its variety of salads, desserts and baked dishes, prepared from the most wholesome ingredients under conditions of immaculate cleanliness.

The Company, which has become the Quebec farmer's best customer, continued to provide an expanding market for Canada's primary food producers. During the fiscal year we sponsored far-reaching experiments by breeders in controlled feeding of livestock, in the endeavour to procure uniformly tender meat.

The variety of merchandise carried on our store shelves increased. A stronger approach to selection and merchandising doubled sales of non-food items. The rapid multiplication of frozen food items on the market demanded additional display space. As a convenience for home freezer owners, we provided more packaged fresh-frozen meats.





“Our operation kept pace with changing consumer demands”

The “Pinky” premium plan, introduced in all stores last January, has proved an extremely popular promotion. Constant study is given to the nature of the merchandise offered for redemption with pink cash slips, in order to supply the best possible value and variety.

I am proud to report that our strong promotional efforts on behalf of brand products won Steinberg’s Limited the coveted title of Food-Retailer-of-the-Year in the ninth annual competition sponsored by the Brand Names Foundation of New York. This is the first time the top food store award has gone to Canada. The honour is an encouraging endorsement of our policy of merchandising the widest possible choice of quality brand goods.

Our non-profit market research facilities continued to assist suppliers in evaluating new products, packaging techniques, their share of the market and other factors. Twelve cooperative surveys were completed, and several others were in progress at the close of the fiscal year.

The challenge of new dimensions and developments within the dynamic food industry requires our organization to remain flexible and ever open to new ideas. Ours is a young, keen and aggressive team of employees, and Steinberg’s fast growing business offers them early opportunities for advancement. The average age of our 53 store managers—almost all of them drawn from the ranks of our own personnel—is only 34.

A merit rating system constantly brings each individual’s progress under review. The Company encourages employees to attend university extension courses, trade seminars, clinics and conferences. In the last fiscal year, it subsidized a number of employees for education courses to equip them in furthering their careers in retailing.

The staff training program has been intensified, and classes are now consolidated in a new, 8,000-square-foot Training Centre in Montreal. Here training of cashiers goes on continuously; store managers and head cashiers attend refresher courses; and regular classes are conducted for trainees in the grocery, meat and produce departments. A recently added dairy training program teaches techniques in handling and merchandising dairy products.

“Planning Your Progress” was the theme of Steinberg’s first annual Management Conference in a Laurentian resort last spring, attended by 125 store managers and senior executives. The three-day program included talks by leading economists, management consultants, and experts in the food distribution field. Our management team was also given a forward look at the Company’s plans for the next five years, and discussed the opportunities and challenges that lie ahead.

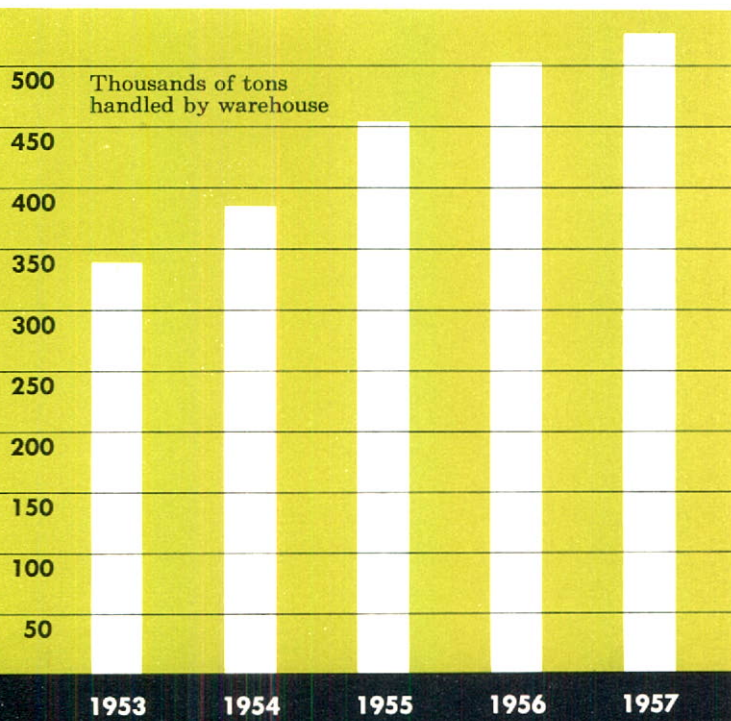
The Profit Sharing Retirement Plan introduced in 1954 has been joined by 92.5 percent of eligible employees. The plan gives each participant an opportunity

HOW WE FILL A NEED FOR QUALITY BAKED GOODS

A new 22,000 sq. ft. building, which doubled the size of the existing bakery alongside the delicatessen plant at the central warehouse, went into operation at the end of the fiscal year. The expansion allowed for greatly increased output of Steinberg’s “Big City” brand cakes, pies and other popular baked goods, which are made from the finest quality ingredients by the most up-to-date ovens and equipment.

WAREHOUSE TONNAGES

More than a billion pounds of goods a year are now handled by Steinberg’s warehousing and distribution organization. The fleet of 163 transport vehicles travelled 1,689,296 miles in the last fiscal year. By mechanized materials handling and improved techniques in the central warehouse, the annual turnover of stock has been raised by 13 percent since 1952.



to share in the success of our business. At the end of the fiscal year the fund was augmented by \$317,700 (the Company's contribution, based upon the net operating profit for 1956-1957), to bring the total combined savings invested to \$1,222,764.

As always, we spared no effort to safeguard the health, welfare and security of our employees, who are the Company's most important assets. To provide them with a greater measure of protection, benefits paid under the group hospitalization plan were increased by 20 percent from May 1, 1957.

During the fiscal year the Company paid out \$12,289,836 in salaries and wages. The number of permanent employees rose to an all-time high of 4,100. Of these, 44 have completed more than 20 years' service. My thanks are here expressed to this growing family of Steinberg's employees for their loyalty, team spirit and efficiency, which has helped achieve the biggest volume of business in the Company's history.

With a dozen more supermarkets currently under construction or in advanced stages of planning, Steinberg's will reach many urban and suburban communities not served before. A vast amount of planning lies behind every decision as to when and where to build a store. Our research staff studies population statistics and continually watches the growth trends of communities, the development of new industries, highway patterns and housing projects. On-the-spot surveys help to assess the level of car ownership, the spending power, size and age of families in specific localities. Detailed economic analyses assist in pin-pointing the most convenient sites for projected stores. They enable us to plan the size and type of store best suited to the needs and way of life in a particular community.

Our organization will continue to introduce new merchandising methods and keep pace with changing consumer demands. As in the past, the benefits of technological improvements, streamlined mass distribution and big volume operation will be passed on to the customer in the form of better values, greater variety and added shopping convenience.

I would like to thank our suppliers, with whom we have always enjoyed the most cordial associations, for their cooperation. And I wish especially to thank the many customers in Quebec and eastern Ontario who have shown, through their regular patronage, that they like our way of doing things. People are the heart of our business and the Company's future prosperity depends upon their continued satisfaction with our stores, our products, and our friendly service.



October 31, 1957

PRESIDENT

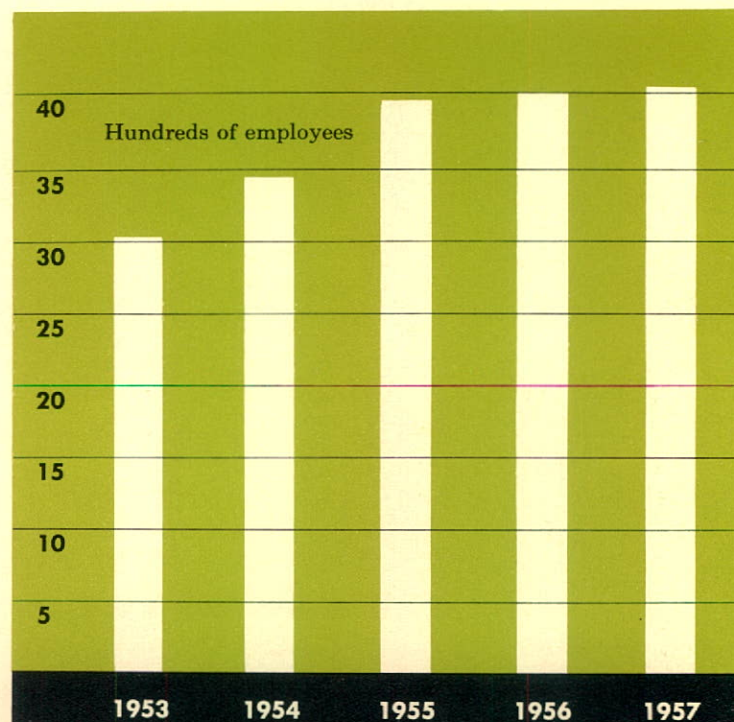


HOW WE FILL A NEED FOR CENTRALIZED STAFF TRAINING

A large Training Centre in Montreal, opened last year, conducts initial training and periodic refresher courses in various aspects of store operation. A special program of two-week courses in handling and merchandising dairy products began last fall. Trainees study under a dairy specialist, visit cheese factories, and receive practical instruction in the dairy department of a nearby Steinberg's store.

EMPLOYEES

Of 4,100 full-time employees, 300 work in the office, 700 in the warehouse, the rest in the stores. The present staff includes over 80 skills, ranging from copywriter to carpenter, chef to chauffeur, egg candler to economic geographer. Employees run their own credit union and charity fund, and are active in Company-sponsored social and sporting events.



STEINBERG'S MADE HEADLINES



On Brand Names Day in New York, Sam Steinberg, President of Steinberg's Limited, is congratulated by U.S. Senator Stuart Symington on becoming the first Canadian competitor to earn retailing's most prized title—Brand Name Retailer-of-the-Year in the Food Stores—Class I category for 1956.

DURING THE YEAR

Awards for outstanding achievement in various fields were a special source of pride to the Company.

International honours included the title of "Brand Name Retailer-of-the-Year", conferred annually upon the company that best informs the public of the value and meaning of brand names.

Recognition for excellence of packaging and for safe driving added to the year's distinctions.

In the sports field, Steinberg's fastball team became the 1956 provincial champions, and won the pennant. This year it also won the Team Sportsmanship Award in the World Softball Tournament at Clearwater, Florida.

Steinberg's entrant (picture overleaf) represented Canada as one of 10 finalists in the international Checker-of-the-Year contest, and was crowned "Queen of Accuracy".



The Golden "PAC" Award of the Packaging Association of Canada, awarded for the greatest service to packaging in Canada, was presented in 1956 to Steinberg's Limited in recognition of the Company's bold leadership.



Trophy was presented to Gaspard Lecompte for placing first, both in 1955 and 1956, in the Quebec Road-eo events for single-axle tractor-trailers. Sixty-seven other Company drivers were honoured for their safety records in 1956.



Champion steer of the provincial livestock show in Montreal this spring was bought by Steinberg's as an evidence of interest in the development of improved strains of beef cattle. The Company gives practical support to Canadian livestock breeders and produce growers.



Picnics for 2,000 under-privileged youngsters were held in July at Belmont Amusement Park. Through these annual events, through Christmas gifts of toys to orphanages and children's hospitals, and by donations to other welfare organizations, the Company plays its part as a good citizen.

STEINBERG'S IN THE NEWS

New methods of handling bananas were introduced recently to reduce bruising and increase output. Lift trucks now transport stems from the ripening rooms to a cutting rack. Bunches are then placed on a cushioned revolving table for weighing, banding and packing.



Warehouse tours organized during the year gave 2,664 visitors a look at the huge meat coolers, where sides of Red Brand beef age under controlled refrigeration in hygienic surroundings. Additional racks were put in this year to increase storage capacity for fresh and frozen meats.





Blue-eyed Therese Benoit of Montreal was nominated Steinberg's outstanding Checker of the Year in a contest that involved the votes of 45,000 customers. She went on to represent all of Canada as one of 10 regional winners invited by the Super Market Institute to the finals held at Cleveland last April.



The five Steinberg brothers with a photograph of their mother, who founded the family business in 1917. Left to right: Max, Nathan, Jack, Sam and Morris Steinberg.

STEINBERG'S LIMITED MONTREAL CANADA

OFFICERS

SAM STEINBERG	PRESIDENT AND MANAGING DIRECTOR
NATHAN STEINBERG	VICE-PRESIDENT
JACK GENSER	VICE-PRESIDENT
MAX STEINBERG	SECRETARY-TREASURER

DIRECTORS

SAM STEINBERG
NATHAN STEINBERG
MAX STEINBERG
JACK STEINBERG
SAM COHEN
JACK GENSER

TRANSFER AGENT

MONTREAL TRUST COMPANY
MONTREAL AND TORONTO

REGISTRAR

ROYAL TRUST COMPANY
MONTREAL AND TORONTO

STEINBERG'S LIMITED AND SUBSIDIARY COMPANIES

Consolidated statement of profit and loss
year ended July 27, 1957

SALES		<u>\$132,431,428</u>
PROFIT FROM OPERATIONS		
before the undermentioned items		6,698,061
Add:		
Income from investments and loans	\$ 568,119	
Miscellaneous income	100,849	
		<u>668,968</u>
		7,367,029
Deduct:		
Provision for depreciation	1,552,055	
Payments on lease purchase properties	422,417	
Interest on debentures and amortization of discount	367,901	
Interest on mortgages and loans payable	43,309	
Contribution to employees' profit sharing pension fund	317,700	
		<u>2,703,382</u>
Profit before provision for taxes on income		4,663,647
Provision for taxes on income		<u>2,266,624</u>
NET PROFIT FOR THE YEAR		<u>\$ 2,397,023</u>

STEINBERG'S LIMITED AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE

ASSETS

CURRENT ASSETS

Cash.....	\$ 77,052	
Marketable securities—at cost (quoted market value \$6,255,400)	6,275,572	
Notes receivable.....	700,000	
Accounts receivable—trade.....	493,511	
—other.....	258,303	
Inventories—valued at the lower of cost or market.....	6,675,454	
Prepaid expenses.....	229,521	
		\$14,709,413

INVESTMENTS AND OTHER ASSETS

Investments in and advances to associated companies—		
investment—at cost.....	2,012,100	
advances.....	9,138,097	
Loans receivable.....	37,770	
Mortgages receivable.....	782,368	
Deposits and sundry investments.....	78,104	
		12,048,439

FIXED ASSETS—at cost

Land.....	2,450,593	
Buildings.....	2,891,967	
Equipment and fixtures.....	11,818,199	
Automotive equipment.....	1,076,244	
	18,237,003	
Accumulated depreciation.....	7,914,351	
		10,322,652

UNAMORTIZED DISCOUNT ON DEBENTURES

147,921

\$37,228,425

Approved on behalf of the Board:

SAM STEINBERG, Director

MAX STEINBERG, Director

SHEET AS AT JULY 27, 1957**LIABILITIES****CURRENT LIABILITIES**

Bank loan—secured	\$ 1,080,000	
Accounts payable and accrued liabilities	6,335,941	
Dividend payable on preferred shares	66,000	
Income taxes payable	<u>1,419,470</u>	
		\$ 8,901,411

LOANS FROM SHAREHOLDERS

938,352

MORTGAGE PAYABLE

53,824

FUNDED DEBT

5¼% Sinking Fund Debentures (annual sinking fund \$300,000)—

due December 1, 1972	5,000,000	
due October 1, 1973	<u>2,500,000</u>	
	7,500,000	
Less: Redeemed or held for redemption	<u>1,097,500</u>	

6,402,500

CAPITAL STOCK

Authorized—

100,000 cumulative redeemable preferred shares
of the par value of \$100 each
550,000 common shares without nominal or par value

Issued and fully paid—

50,000 5¼% cumulative redeemable preferred shares—Series A	5,000,000	
500,000 common shares	<u>100,000</u>	

5,100,000

CAPITAL SURPLUS

Arising from sale of fixed assets under
lease-purchase agreements

725,903

EARNED SURPLUS

Including \$88,000 paid in surplus representing
excess sale price of common shares over par value

15,106,435
\$37,228,425

STEINBERG'S LIMITED AND SUBSIDIARY COMPANIES

Consolidated statement of earned surplus
year ended July 27, 1957

Earned surplus as at July 28, 1956.....		\$12,056,498
Add:		
Net profit for the year.....	\$2,397,023	
Profit on disposal of fixed assets.....	939,040	
		<u>3,336,063</u>
		15,392,561
Deduct:		
Dividends on preferred shares.....	262,500	
Discount on debentures redeemed.....	23,626	
		<u>286,126</u>
Earned surplus as at July 27, 1957.....		<u><u>\$15,106,435</u></u>

Consolidated statement of capital surplus
year ended July 27, 1957

Capital surplus as at July 28, 1956.....		\$ 773,043
Deduct: Portion applicable to income of the current year.....		<u>47,140</u>
Capital surplus as at July 27, 1957.....		<u><u>\$ 725,903</u></u>

AUDITORS' REPORT TO THE SHAREHOLDERS

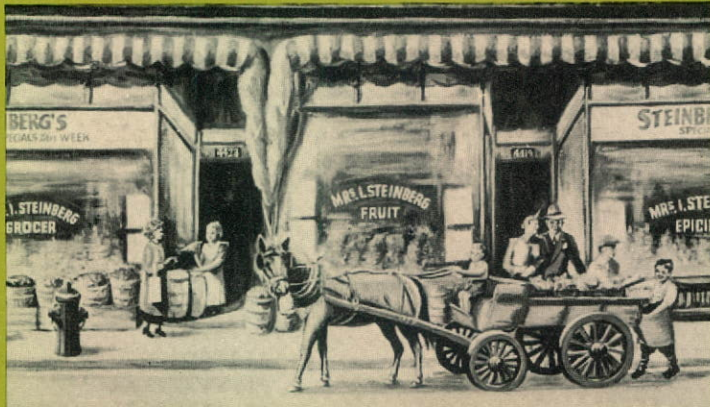
We have examined the consolidated balance sheet of Steinberg's Limited and its wholly owned subsidiary companies as at July 27, 1957 and the consolidated statements of profit and loss and surplus for the year ended on that date and have obtained all the information and explanations we have required. 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.

In our opinion, the accompanying consolidated balance sheet and 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 as at July 27, 1957 and the combined results of their 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.
OCTOBER 25, 1957

McDONALD, CURRIE & CO.,
CHARTERED ACCOUNTANTS

40 YEARS OF PROGRESS



1917

In 1917 Mrs. Ida Steinberg opened this modest grocery store on Montreal's St. Lawrence Boulevard. Her steadfast policy of selling only the best value merchandise was carried on by her five sons. Over the years the family business prospered and expanded.



1957

This beautiful store, opened in Ville Lasalle this summer, is the newest of Steinberg's 53 modern, self-service supermarkets. With its gleaming aisles of packaged goods, its shopping carts, checkout stands, "magic carpet" door opening and spacious carpark, it is a store designed with the family shopper in mind.

THE FUTURE

The current \$10 million construction program calls for a dozen new markets to open before next August—a record number for any fiscal year in the Company's history. The largest Steinberg's supermarket yet built, with 25,000 square feet of selling space, opens this autumn in the shopping centre at Ste. Foy, first such centre in the Quebec City area. Other new markets will serve greater Montreal and provincial communities.

Steinberg's will continue to introduce advanced methods in food retailing and, by anticipating and meeting the customer's needs, contribute to a progressively better standard of living.



SYMBOL OF SATISFACTION SINCE 1917