



SIMPSONS, LIMITED ANNUAL REPORT 1968

SIMPSONS, LIMITED

DIRECTORS

G. ALLAN BURTON
JACK C. BARROW
ROBERT C. GIBSON
JOHN H. MOORE
WILLIAM P. SCOTT
JAMES M. TORY

WILLIAM D. ALLPORT
JAMES S. BRYANT
CHARLES L. GUNDY
JOHN C. PORTER
CHARLES B. STEWART

OFFICERS

G. ALLAN BURTON
Chairman of the Board and President
JOHN C. PORTER
Vice-Chairman of the Board
CHARLES B. STEWART
Executive Vice-President, Stores
EDGAR C. BURTON
Vice-President, Toronto Area
KENNETH W. KERNAGHAN
Vice-President and Secretary
ELMER L. ROUNDING
Vice-President, Planning and Development

WILLIAM P. SCOTT
Vice-President
ROBERT C. GIBSON
Executive Vice-President, Merchandising
WILLIAM D. ALLPORT
Vice-President and Comptroller
JAMES S. BRYANT
Vice-President, Montreal Area
OLIVER B. MABEE
Vice-President, Personnel and Public Relations
A. ERNEST WILKES
Vice-President and Treasurer

HEAD OFFICE

45 RICHMOND STREET WEST, TORONTO 1, CANADA

TRANSFER AGENTS

National Trust Company, Limited Toronto and Montreal
Canada Permanent Trust Company Halifax, Winnipeg and Calgary
The Canada Trust Company Vancouver

REGISTRARS

The Royal Trust Company Toronto and Montreal
Canada Permanent Trust Company Halifax, Winnipeg and Calgary
The Canada Trust Company Vancouver

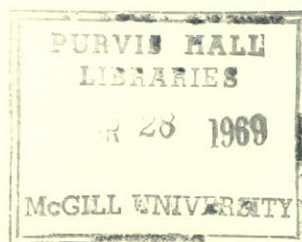


H I G H L I G H T S

F O R T H E Y E A R

	1968 (53 weeks)	1967 (52 weeks)
Net sales	\$276,302,827	\$259,445,891
Dividends from Simpsons-Sears Limited	2,574,000	2,088,000
Earnings before non-recurring profit	10,398,962	10,128,599
Per share	1.39	1.36
Earnings including equity in undistributed net earnings of Simpsons-Sears Limited	14,034,551	13,585,339
Per share	1.87	1.82
Net earnings per share including non-recurring profit and equity in undistributed earnings of Simpsons-Sears Limited	2.30	1.92
Dividends paid	4,801,508	4,470,574
Contributions to Simpsons Profit Sharing Retirement Fund and Canada and Quebec pension plans	2,166,551	2,169,862
Earnings reinvested in the business	8,848,954	6,398,183
Provision for depreciation	2,598,643	2,331,353
Expenditures for fixed assets	14,831,623	12,265,639

Earnings per share are based on monthly average number of shares outstanding.



SIMPSONS, LIMITED *and Subsidiary Companies*

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

In spite of its many problems 1968 was another record year of achievement.

SALES AND EARNINGS Net sales increased over the previous year by 6.5% to a total of \$276,302,827. Earnings from operations, including dividends from Simpsons-Sears Limited, amounted to \$10,398,962 or \$1.39 per share compared with \$1.36 in the previous year. Earnings, including equity in undistributed net earnings of Simpsons-Sears Limited, amounted to \$1.87 per share compared with \$1.82. In addition, during the year the Company realized a non-recurring profit of \$3,251,500 or a further 43¢ per share.

Sales for the year in all areas exceeded expectations with the exception of Montreal. While it was anticipated that sales in this area would not reach the record levels achieved in 1967 with the stimulus of Expo, the uncertain economic and political conditions which were prevalent during the year resulted in a sales decrease more severe than expected.

In the year under review there were written-off pre-opening expenses of approximately \$664,000 in connection with the Company's new store at Les Galeries d'Anjou in Montreal and the downtown Toronto store, and carrying charges of over \$1,200,000 of the Simpson Tower.

DIVIDENDS AND STOCK SPLIT Four quarterly dividends of 16¢ were paid in 1968 and the quarterly dividend paid on March 14, 1969 was increased to 20¢ per share. Your Directors have enacted a By-law to split the shares on a two for one basis and, if the By-law is sanctioned at the Annual and a Special General Meeting of Shareholders to be held on April 30, 1969, a greater number of shares at a lower price per share will enable more Simpsons customers to become shareholders of the Company.

THE SIMPSON TOWER The new Simpson Tower in Toronto at the corner of Queen and Bay Streets is virtually complete. The total cost is about \$19,000,000 of which \$5,684,872 was spent in 1968. The Tower provides additional prime selling space for the store, as well as office space for the Company's own use which will replace leased premises. In addition, the remaining 350,000 square feet of office space is expected to be fully leased by July and the favourable rentals received will add to the revenues of the Company.

THE DOWNTOWN STORE—TORONTO For some years we have been advising the shareholders of the major refixturing and modernization taking place in the downtown Toronto store. In 1968, \$2,479,688 was spent on this programme and 1969 should complete our major expenditures. The new Arcadian Court and Panorama Room restaurants and the new departments and fixtures all combine to maintain this store as one of the great stores of the world.

NEW STORES AND FACILITIES In August 1968 the Company opened the new 180,000 square foot store which it leases in Les Galeries d'Anjou, an ultra-modern shopping centre in Ville d'Anjou, an eastern suburb of Montreal. In 1970 we plan to open two new stores in the Toronto area, construction of which will commence this year. Fairview Mall at the intersection of Don Valley Parkway and Sheppard Avenue will contain a 130,000 square foot Simpson store and the Company will have a 25% share interest in the company which owns this centre. A 220,000 square foot Simpson store will be built in the Sherway Shopping Centre at the junction of Queen Elizabeth Way and No. 27 Highway. The Company will own this store and sufficient land for parking facilities. More information on these projects is given on page 13 of this Report. Three new locations for stores in the Montreal area are under consideration.

We are also planning an important 34,000 square foot expansion to our London, Ontario store for opening in 1970 and a new escalator will be in operation for the 1969 Christmas season. An addition to the Lawrence Avenue Warehouse in Toronto will be built this year together with a new truck servicing depot. The continuing programme to maintain our stores and facilities in first-class condition will require further expenditures. It is estimated all our plans for 1969 will require capital expenditures of about \$7,400,000.

NON-RECURRING PROFIT During 1968 the Company realized a profit of \$3,251,500 on the sale of a portion of its investment in S. B. McLaughlin Associates Limited. Simpsons continues to hold an investment in this development company with an indicated market value of approximately \$4,000,000.

PROFIT SHARING RETIREMENT FUND The Company contributed \$1,379,738 in 1968 to Simpsons Profit Sharing Retirement Fund in addition to \$786,813 contributed to the Canada and Quebec pension plans. The Fund holds 579,447 shares of the Company and total assets at market value, held for 8,188 members, are now in excess of \$32,000,000.

SIMPSONS-SEARS LIMITED The financial highlights of Simpsons-Sears Limited, in which Simpsons, Limited and Sears, Roebuck and Co. each own about 43% of the outstanding shares, appear on page 16 of this Report.

Simpsons-Sears Limited was established in 1953 to operate and expand the mail order business acquired from Simpsons and to develop retail facilities across Canada at a pace which could not have been undertaken by the Company alone. In 1952 sales of the Simpson mail order business were \$100,000,000. In 1968 total sales of Simpsons-Sears, both mail order and retail, had grown to \$540,000,000 which produced a net profit of \$14,420,190. Our share of this net profit was \$6,209,000 of which \$2,574,000 was received by way of dividends. Simpsons and Simpsons-Sears combined sales volume was \$816,000,000.

OUTLOOK The year 1969 may be a further year of adjustment in the national economy but by most indicators your Directors believe it should be a good year for the retail business. Simpsons and Simpsons-Sears with the most modern facilities serve Canadians from coast to coast and will continue to win more and more customers. No effort will be spared to supply the goods and services requested by the maximum number of people in our changing society.

DIRECTORS During 1968 we were saddened by the death of three Directors. Edgar Gordon Burton, Chairman of the Board and Chief Executive Officer of the Company, died suddenly. Mr. Burton was associated with the Company for forty-three years and guided the Company through some of the most significant stages of its development, including the establishment of Simpsons-Sears Limited and Simpsons suburban stores. He made a distinguished contribution to the Company's success.

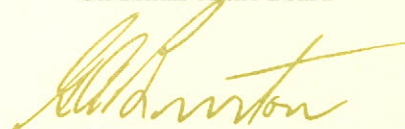
Gordon McCalla Graham, the retired Chairman of the Board of Simpsons-Sears Limited, was a member of our Board of Directors for twenty years. Mr. Graham was associated with the Company for forty years and made an outstanding contribution to the mail order business of Simpsons and the growth of Simpsons-Sears Limited.

J. Grant Glasco served as a Director for two years and his wide experience and wisdom in business affairs enabled him to provide sound guidance to the Board.

The vacancies on the Board of Directors have been filled by James S. Bryant, Vice-President, Montreal Area, Jack C. Barrow, Chairman of the Board of Simpsons-Sears Limited and John H. Moore, Chairman and President of John Labatt Limited.

APPRECIATION The continuing growth of your Company would not be possible without the fine support and efficient performance of the 10,000 men and women in every division of our business. Your Directors gratefully acknowledge their loyalty and continued cooperation.

On behalf of the Board



Chairman of the Board and President

March 19, 1969

SIMPSONS, LIMITED *and Subsidiary Companies*

consolidated **B A L A N C E S H E E T**

ASSETS

AT THE FISCAL YEAR-END

	<i>January 8, 1969</i>	<i>January 3, 1968</i>
CURRENT ASSETS:		
Cash.....	\$ 1,602,756	\$ 1,078,613
Government of Canada Bonds, at cost.....	41,552	41,552
Accounts receivable (Note 1).....	102,771,189	99,880,256
Receivable on sale of part of an investment (Note 2).....	3,447,150	—
Inventories valued at the lower of approximate cost and market	36,384,811	32,193,086
Prepaid expenses.....	1,757,175	1,386,679
	<u>146,004,633</u>	<u>134,580,186</u>
INVESTMENTS AND OTHER ASSETS:		
Simpsons-Sears Limited, at cost (Note 3).....	27,500,000	27,500,000
Other investments, at cost, and advances.....	987,350	984,500
Accounts receivable (Note 1).....	7,353,854	7,916,524
Refundable federal tax.....	126,000	440,143
	<u>35,967,204</u>	<u>36,841,167</u>
FIXED ASSETS:		
Land and buildings at depreciated reproductive values on July 31, 1952 as reported by Canadian Appraisal Company, Limited, plus subsequent additions at cost.....	87,378,294	81,471,358
Equipment and fixtures, at cost.....	29,909,275	26,985,858
	<u>117,287,569</u>	<u>108,457,216</u>
Less—Accumulated depreciation.....	30,543,028	28,411,581
	86,744,541	80,045,635
Departmental improvements, at cost less amounts written off....	9,412,566	6,007,835
	<u>96,157,107</u>	<u>86,053,470</u>
UNAMORTIZED DEBENTURE DISCOUNT AND EXPENSE.....	977,081	1,042,389
	<u>\$279,106,025</u>	<u>\$258,517,212</u>

LIABILITIES

AT THE FISCAL YEAR-END

	January 8, 1969	January 3, 1968
CURRENT LIABILITIES:		
Demand and short term notes (Note 4)	\$ 14,019,000	\$ 4,950,000
Accounts payable	21,339,824	18,991,832
Accrued wages, rent, interest, etc.	7,002,659	6,251,193
Customers' deposit accounts	1,569,318	1,623,806
Income and other taxes	5,225,356	6,214,666
Contribution payable to Simpsons Profit Sharing Retirement Fund	1,379,738	1,459,424
Sinking fund requirements payable within one year	1,487,000	810,600
	<u>52,022,895</u>	<u>40,301,521</u>
LONG TERM DEBT (Note 5)	94,108,000	95,874,000
DEFERRED INCOME TAXES (Note 6)	5,390,000	4,150,000
	<u>151,520,895</u>	<u>140,325,521</u>

SHAREHOLDERS' EQUITY

CAPITAL STOCK:		
Common shares (Note 7)—		
Authorized—10,000,000 shares without nominal or par value		
Issued—7,513,788 shares	27,325,140	26,780,655
RETAINED EARNINGS	83,405,365	74,556,411
APPRAISED VALUE OF LAND AND BUILDINGS IN EXCESS OF DEPRECIATED BOOK VALUE ON JULY 31, 1952	16,854,625	16,854,625
	<u>127,585,130</u>	<u>118,191,691</u>
	<u>\$279,106,025</u>	<u>\$258,517,212</u>

APPROVED ON BEHALF OF THE BOARD

G. A. BURTON
W. P. SCOTT *Directors*

SIMPSONS, LIMITED *and Subsidiary Companies*

consolidated

STATEMENT OF EARNINGS

	FISCAL YEAR ENDED	
	<i>January 8, 1969</i>	<i>January 3, 1968</i>
Net sales	\$276,302,827	\$259,445,891
Dividends from Simpsons-Sears Limited (Note 3)	2,574,000	2,088,000
Other income	358,490	407,182
	<u>279,235,317</u>	<u>261,941,073</u>
DEDUCT:		
Cost of merchandise sold and all expenses, except the items shown below	243,698,458	228,291,440
Provision for depreciation	2,598,643	2,331,353
Interest on debentures, including amortization of discount and expense	5,773,596	5,566,122
Other interest	873,635	669,713
Municipal realty and business taxes	4,635,472	4,133,984
Contribution to Simpsons Profit Sharing Retirement Fund	1,379,738	1,459,424
Contributions to Canada and Quebec pension plans	786,813	710,438
	<u>259,746,355</u>	<u>243,162,474</u>
Earnings before income taxes and non-recurring profit	19,488,962	18,778,599
Provision for income taxes (Note 6)	9,090,000	8,650,000
Earnings before non-recurring profit	10,398,962	10,128,599
Non-recurring profit (Note 2)	3,251,500	740,158
NET EARNINGS FOR THE FISCAL YEAR	<u>\$ 13,650,462</u>	<u>\$ 10,868,757</u>

consolidated

STATEMENT OF RETAINED EARNINGS

	FISCAL YEAR ENDED	
	<i>January 8, 1969</i>	<i>January 3, 1968</i>
Balance at beginning of year	\$ 74,556,411	\$ 68,158,228
Net earnings for the fiscal year	13,650,462	10,868,757
	<u>88,206,873</u>	<u>79,026,985</u>
Dividends on common shares (64¢ per share; 1967—60¢ per share)	4,801,508	4,470,574
BALANCE AT END OF YEAR	<u>\$ 83,405,365</u>	<u>\$ 74,556,411</u>

SIMPSONS, LIMITED *and Subsidiary Companies*

consolidated

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FISCAL YEAR ENDED

SOURCE OF FUNDS:	<i>January 8, 1969</i>	<i>January 3, 1968</i>
Net earnings:		
Simpsons, Limited and subsidiary companies excluding dividend income and non-recurring profit	\$ 7,824,962	\$ 8,040,599
Dividends from Simpsons-Sears Limited	2,574,000	2,088,000
Non-recurring profit (Note 2)	3,251,500	740,158
	<hr/>	<hr/>
	13,650,462	10,868,757
Non-cash charges deducted in arriving at net earnings:		
Provision for depreciation	2,598,643	2,331,353
Write-off on departmental improvements	1,864,919	1,823,432
Amortization of debenture discount and expense	65,308	63,978
Deferred income taxes	1,240,000	500,000
	<hr/>	<hr/>
Funds provided from operations	19,419,332	15,587,520
Refundable federal tax	314,143	(111,343)
Non-current accounts receivable	562,670	2,940,976
Common shares issued under Employees' Stock Option Plans	287,485	1,054,426
Proceeds from the sale of debentures	—	14,871,633
Net book value of fixed assets disposals	264,424	404,341
	<hr/>	<hr/>
	20,848,054	34,747,553
APPLICATION OF FUNDS:		
Additions to fixed assets	9,561,973	10,908,562
Expenditures on departmental improvements	5,269,650	1,357,077
Additional investment in Simpsons-Sears Limited shares	—	7,500,000
Investments and advances	2,850	(433,311)
Sinking fund requirements on debentures	1,509,000	1,509,000
Dividends on common shares	4,801,508	4,470,574
	<hr/>	<hr/>
	21,144,981	25,311,902
Increase (decrease) in working capital	(296,927)	9,435,651
Working capital at beginning of year	94,278,665	84,843,014
Working capital at end of year	<u>\$93,981,738</u>	<u>\$94,278,665</u>

SIMPSONS, LIMITED *and Subsidiary Companies*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTS RECEIVABLE:	<i>January 8, 1969</i>	<i>January 3, 1968</i>
Customer instalment accounts	\$ 80,787,489	\$ 79,849,056
Charge and other customer accounts	32,122,128	30,944,635
Miscellaneous accounts	1,707,507	1,417,677
	<u>114,617,124</u>	<u>112,211,368</u>
Less allowance for doubtful accounts	4,492,081	4,414,588
	<u>110,125,043</u>	<u>107,796,780</u>
Non-current accounts receivable	7,353,854	7,916,524
	<u>\$102,771,189</u>	<u>\$ 99,880,256</u>

In accordance with recognized trade practices, instalment accounts receivable include amounts which will not become due within one year. However, other accounts receivable not expected to be collected within one year, arising from large scale contracts of the Contract Division, have been classified as non-current accounts receivable. For the most part the Contract Division is engaged in furnishing and equipping institutional and commercial premises.

2. RECEIVABLE ON SALE OF PART OF AN INVESTMENT: In 1968 Simpsons, Limited realized a profit of \$3,251,500 on the sale of part of an investment in shares of another company. A balance of \$3,447,150 owing on the sale price at January 8, 1969 has been received since that date. Based on the price of the shares sold in 1968, the remaining investment in this company has a value approximately \$4,000,000 in excess of the cost of the shares as recorded in the accounts of Simpsons, Limited.

3. SIMPSONS-SEARS LIMITED: The earnings of Simpsons-Sears Limited, in which Simpsons, Limited owns 50% of the voting shares, are included in the consolidated earnings of Simpsons, Limited only to the extent of dividends received. During the fiscal year ended January 8, 1969 dividends of \$2,574,000 were received from Simpsons-Sears Limited and Simpsons, Limited share of the undistributed net earnings for the year was \$3,635,589. Simpsons, Limited equity in the net assets of Simpsons-Sears Limited amounted to \$59,145,000 at January 8, 1969 or \$31,645,000 more than the investment in that company.

4. DEMAND AND SHORT TERM NOTES: Demand notes payable to banks of \$4,500,000 and short term notes of \$1,500,000 are secured by the pledge of Secured Debenture Series A of Simpsons Acceptance Company Limited.

5. LONG TERM DEBT:	<i>January 8, 1969</i>	<i>January 3, 1968</i>
Simpsons, Limited—		
4¾% Debentures Series "A" due January 1, 1973	\$ 11,000,000	\$ 12,500,000
5% Debentures Series "B" due December 1, 1976	155,000	164,000
5½% Convertible Debentures Series "C" due September 15, 1979	1,962,000	2,219,000
5¾% Debentures Series "D" due February 1, 1984	10,000,000	10,000,000
5¾% Debentures Series "E" due July 15, 1985	12,500,000	12,500,000
6½% Debentures Series "F" due March 15, 1987	15,000,000	15,000,000
	<u>50,617,000</u>	<u>52,383,000</u>
Less debentures purchased for sinking fund requirements and balance of sinking fund payments due within one year . . .	1,509,000	1,509,000
	<u>49,108,000</u>	<u>50,874,000</u>
Simpsons Acceptance Company Limited—		
6% Secured Debentures Series B due May 15, 1981	15,000,000	15,000,000
5½% Secured Debentures Series C due June 15, 1982	10,000,000	10,000,000
5¾% Secured Debentures Series D due April 1, 1984	10,000,000	10,000,000
6¾% Secured Debentures Series E due June 15, 1986	10,000,000	10,000,000
	<u>45,000,000</u>	<u>45,000,000</u>
	<u>\$ 94,108,000</u>	<u>\$ 95,874,000</u>

Sinking fund payments required for the five years from January 8, 1969, after deducting debentures purchased for sinking fund requirements, are as follows: 1969—\$1,487,000; 1970—\$1,509,000; 1971—\$2,259,000; 1972—\$759,000; 1973—\$759,000. In addition, \$6,500,000 of 4¾% Debentures Series "A" mature on January 1, 1973.

6. DEFERRED INCOME TAXES: Depreciation and other expenses deductible in computing income taxes for the fiscal year ended January 8, 1969 exceed the amount of such expenses recorded in the accounts. The resulting reduction of \$1,240,000 in income taxes currently payable has been charged to earnings as part of the provision for income taxes and set aside on the balance sheet as deferred income taxes.

7. COMMON SHARES: During the year ended January 8, 1969 \$257,000 principal amount of Series "C" Debentures were converted into 11,308 common shares. The balance of these debentures are convertible at the holders' option into common shares at the rate of 44 shares for each \$1,000 principal amount of debentures on or before September 15, 1969.

Under the terms of the Employees' Stock Option Plans, approved by the shareholders in 1957 and 1965, 10,978 common shares were issued for \$287,485. The Employees' Stock Option Plans provide that the option price shall be the market price of the shares on the day immediately preceding the date of grant and that the options may not be exercised later than ten years from date of grant. Outstanding options at January 8, 1969 were as follows:

<i>Date of grant</i>	<i>Option price per share</i>	<i>Officer directors and other officers</i>	<i>Other management employees</i>	<i>Total</i>
1957 plan: January 1960	\$16.00	—	713	713
March 1962	16.00	—	1,313	1,313
March 1964	20.25	1,100	835	1,935
1965 plan: April 1965	28.00	20,855	62,197	83,052
		<u>21,955</u>	<u>65,058</u>	<u>87,013</u>

8. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS: For the fiscal year ended January 8, 1969 the remuneration of directors, including salaries of officers who are also directors, was \$614,707 and the remuneration of other senior officers was \$208,763.

9. COMMITMENTS AND CONTINGENT LIABILITIES:

- (a) Annual rentals under long term leases amount to approximately \$1,900,000.
- (b) Simpsons, Limited has outstanding guarantees totalling \$16,850,000, principally on bank advances to partly-owned companies operating and developing shopping centres.
- (c) Simpsons, Limited and another part owner of Woodbine-Sheppard Shopping Centre Limited have jointly and severally agreed under a Rental Deficiency Agreement to make available sufficient funds to pay the principal, premium and interest on \$17,500,000 principal amount of 8½% First Mortgage Sinking Fund Bonds, Series A, issued by that company.

AUDITORS' REPORT

TO THE SHAREHOLDERS OF SIMPSONS, LIMITED:

We have examined the consolidated balance sheet of Simpsons, Limited as at January 8, 1969 and the consolidated statements of earnings, retained earnings and source and application of funds for the fiscal year then ended. 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 these consolidated financial statements present fairly the financial position of the companies as at January 8, 1969 and the results of their operations and the source and application of their funds for the fiscal year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PRICE WATERHOUSE & CO.

Toronto, March 3, 1969.

Chartered Accountants

SIMPSONS, LIMITED *and Subsidiary Companies*

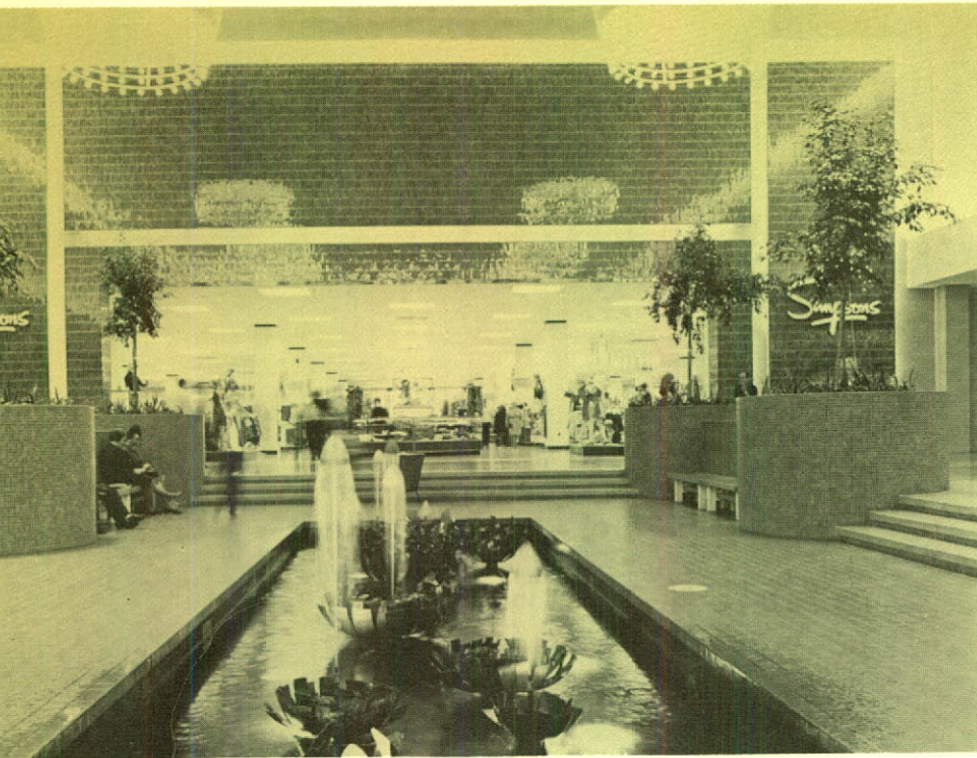
T E N Y E A R S I N R E V I E W

	1968†	1967	1966
Net sales	\$276,302,827	\$259,445,891	\$248,021,913
Dividends from Simpsons-Sears Limited	2,574,000	2,088,000	1,800,000
Net earnings	10,398,962*	10,128,599*	9,071,018
Number of shares issued	7,513,788	7,491,502	7,434,205
Net earnings per share, on monthly average number of shares outstanding	1.39*	1.36*	1.27
Net earnings per share including equity in undis- tributed net earnings of Simpsons-Sears Limited	1.87*	1.82*	1.64
Dividends paid	4,801,508	4,470,574	4,272,045
Dividends paid per share64	.60	.60
Provision for depreciation	2,598,643	2,331,353	2,197,697
Interest charges	6,647,231	6,235,835	5,891,653
Working capital (current assets less current liabilities)	93,981,738	94,278,665	84,843,014
Land, buildings and equipment (after depreciation)	86,744,541	80,045,635	71,872,767
Total assets	279,106,025	258,517,212	242,826,676
Funded debt	94,108,000	95,874,000	82,595,000
Shareholders' equity	127,585,130	118,191,691	110,527,082

* *Excluding non-recurring profit*

†53 weeks

1965	1964	1963†	1962	1961	1960	1959
\$231,714,746	\$211,981,806	\$193,015,196	\$175,268,927	\$169,352,471	\$163,687,994	\$159,880,951
1,800,000	1,600,000	1,300,000	1,300,000	1,000,000	—	—
8,607,092	7,021,817	6,156,270	5,223,241	5,478,393	4,452,678	4,503,224
7,002,967	6,913,770	6,862,914	6,497,152	6,462,550	6,433,876	6,233,296
1.24	1.02	.94	.81	.85	.71	.73
1.54	1.32	1.25	1.03	1.16	1.15	1.20
3,794,394	3,361,151	2,938,941	2,593,648	2,500,998	2,201,647	1,841,743
.54½	.48¾	.45	.40	.38¾	.35	.30
2,004,442	1,973,130	1,660,619	1,574,321	1,499,058	1,699,590	1,590,512
4,831,385	4,338,856	3,768,791	3,428,996	2,852,821	2,463,188	2,242,215
79,419,633	75,310,330	53,435,481	58,315,882	52,831,521	39,616,022	38,225,483
66,846,423	61,454,123	60,838,686	53,746,142	48,853,282	47,304,010	47,031,642
226,138,444	201,615,047	187,560,837	169,920,085	156,754,890	143,349,375	132,994,858
81,785,000	71,920,000	53,702,000	59,373,000	51,048,000	37,562,000	41,048,000
97,531,295	91,138,746	86,787,603	79,022,680	76,029,819	72,785,096	68,722,906



The mall fronting Simpsons in Les Galeries d'Anjou is enhanced by a fountain having jets of water gushing from modern sculptured forms.

LES GALERIES D'ANJOU, MONTREAL

Largest shopping centre in the Province of Quebec, Les Galeries d'Anjou, located in Ville d'Anjou, on the easterly portion of the Island of Montreal, is attracting a steadily increasing clientele from the million prospective customers in the immediate area; indeed, situated as it is at the juncture of the Trans-Canada with two other major highways, it is a natural destination for "commuting" customers from more distant communities. Simpsons is the largest of the eighty-five retail stores in the mall-centred, climate-controlled complex, and Simpsons, Limited owns 50% of the centre.

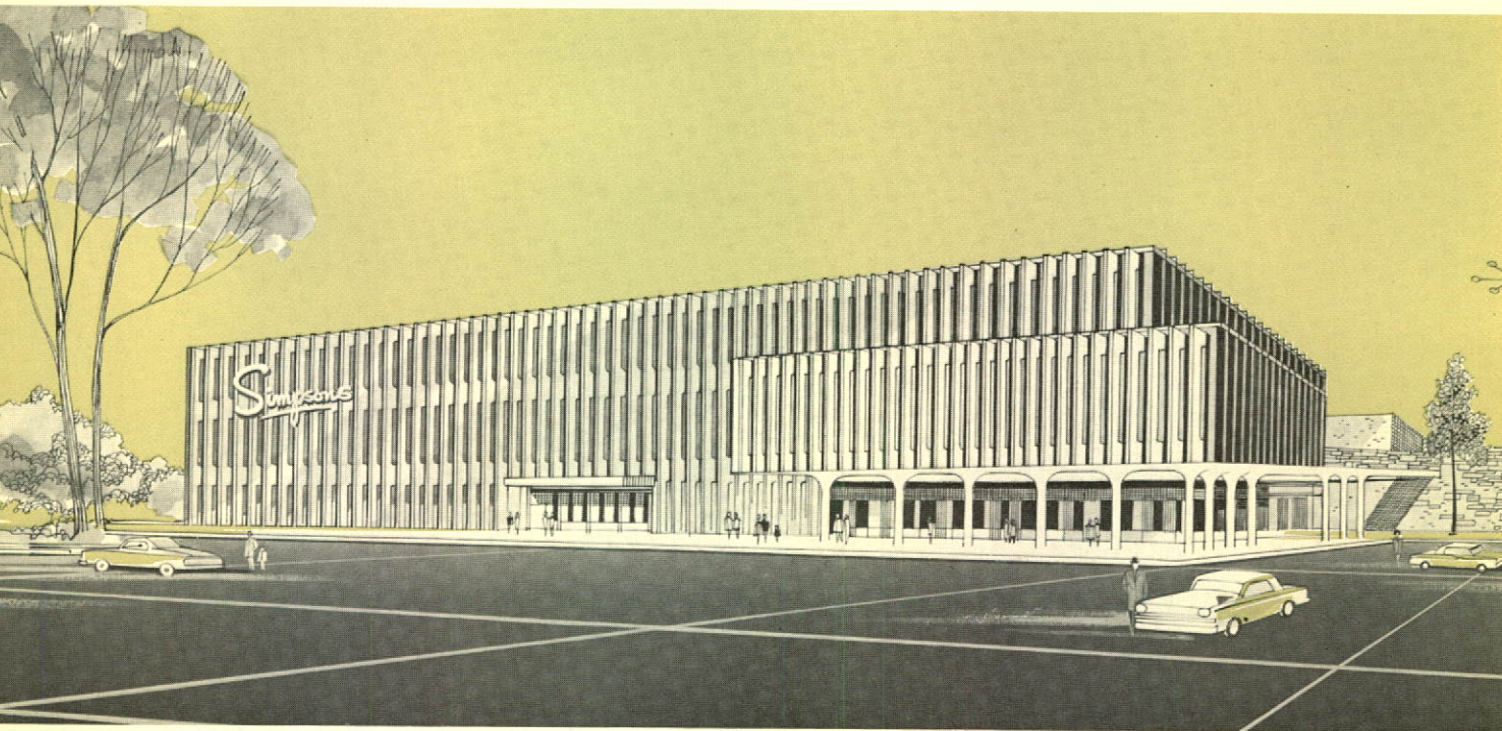
Simpsons at Les Galeries d'Anjou has two floors of merchandise departments, with provision for expansion.



TWO MORE SIMPSON STORES FOR THE TORONTO AREA

SIMPSONS FAIRVIEW . . . 130,000 square foot, full-line department store will dominate one end of the Fairview Mall, now under construction at Don Valley Parkway and Sheppard Avenue in North York, one of the fastest-growing regions in the north-east section of Metropolitan Toronto. Fairview will be the first two-storey shopping complex in Ontario, with parking and entrances at upper and lower levels, and with moving walkways connecting both levels. Simpsons will own 25% of this entire centre . . . to open in 1970.

SIMPSONS SHERWAY . . . also planned for a late 1970 opening, the Sherway store will encompass 220,000 square feet in its initial phase, making it a close rival in size to Simpsons largest suburban store, "Yorkdale." This important centre is located at the major interchange of Highway 27 and the Queen Elizabeth Way, where it will serve a large trading area in the districts west of Toronto.





THE NEW LOOK...IN THE DOWNTOWN STORE, TORONTO

Simpsons Downtown, Toronto, is fulfilling its promise of breathtaking beauty as its rejuvenation and expansion take effect. The completely modernized and refitted main floor of over 100,000 square feet gives promise of being one of the most beautiful shopping floors in the World. New escalators and many new colourful boutiques and departments add excitement to the entire nine floors of the store.

Simpsons
Men's Grill:
Ninth Floor



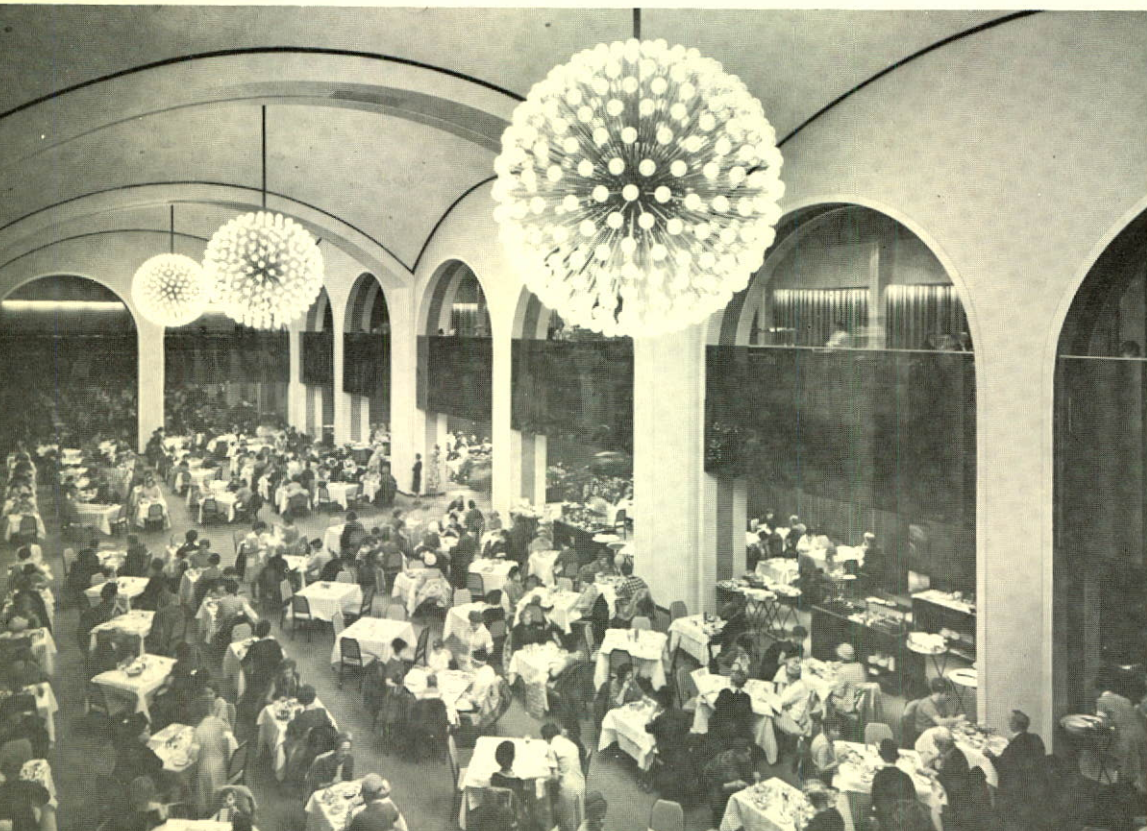
ARCADIAN COURT...

NEW ERA OF HOSPITALITY

Simpsons Arcadian Court completely rebuilt and in its dazzling new decor, with extended, cosmopolitan cuisine, is again playing host to Toronto diners, and is the setting for some of the city's brightest social occasions. The stately proportions of the Court are illuminated by tremendous starburst globes suspended from the vaulted ceiling. Between them, the Eighth Floor dining room and the Ninth Floor Men's Grill can seat 733 guests. Coinciding with the re-opening of Arcadian Court, Simpsons delightful, sun-toned Panorama Room on the Eighth Floor offers a sweeping view of the old and new City Halls. It provides self-service dining facilities.



Simpsons
Arcadian Court:
Eighth Floor





SIMPSONS-SEARS LIMITED *and Subsidiary Companies*

H I G H L I G H T S

	FOR THE YEAR	
	1968 (53 weeks)	1967 (52 weeks)
Net sales	\$540,663,056	\$470,298,406
Net earnings	14,420,190	12,791,630
Per share94	.84
Dividends paid	5,969,969	4,796,209
Per share39	.33
Shareholders' equity (book value end of year)	135,937,022	125,466,218
Per share	8.86	8.22
Contributions to Simpsons-Sears Profit Sharing Retirement Fund and Canada and Quebec pension plans	3,345,021	2,919,070
Provision for depreciation	5,169,597	5,351,184
Expenditures for fixed assets	19,120,990	12,018,375

Earnings per share are based on shares outstanding at end of year. On basis of average shares outstanding during the year, earnings per share are 94¢ for 1968 and 90¢ for 1967.

SIMPSONS DEPARTMENT STORES

TORONTO AREA

DOWNTOWN
YORKDALE
CEADARBRAE

MONTREAL AREA

DOWNTOWN
FAIRVIEW-POINTE CLAIRE
LES GALERIES D'ANJOU

REGINA • HALIFAX • LONDON

Simpsons

A VIEW OF THE SIMPSON TOWER, TORONTO, FROM NATHAN PHILLIPS SQUARE