

Aldens

1952

ANNUAL REPORT

FOR THE FISCAL YEAR
ENDED JANUARY 31, 1953

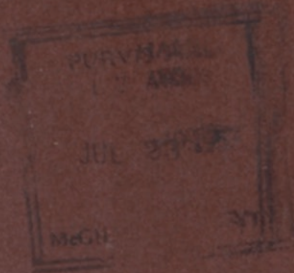


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Aldens Management

BOARD OF DIRECTORS

R. L. ARNHEIM - - - - -	Vice President & Treasurer, Aldens, Inc.	R. W. JACKSON - - - - -	President, Aldens, Inc.
W. T. BRUCKNER - - - - -	Chairman of the Board, Cicero State Bank, Cicero, Ill.	W. A. KRAFFT - - - - -	President, Emporium World Millinery Co., Chicago
C. E. BUTLER - - - - -	President, The Galloway Co., Inc., Waterloo, Iowa	M. A. RISKIND - - - - -	Partner, D'Ancona, Pflaum, Wyatt & Riskind, Chicago
G. J. CULLINAN - - - - -	Vice President, Aldens, Inc.	LAWRENCE K. SCHNADIG - - - - -	President, International Furniture Company, Chicago
H. A. DAVIS - - - - -	Partner, Central Building Co., Beverly Hills, Cal.	R. A. SEIDEL - - - - -	Vice Pres., RCA Div., Radio Corp. of America, Camden, N. J.
H. T. EATON - - - - -	Vice President, Aldens, Inc.	H. J. STENTIFORD - - - - -	Vice President, Aldens, Inc.
H. GREENBURG - - - - -	President, Diana Stores Corp., New York, N.Y.	W. P. WISEMAN - - - - -	Vice Pres. & Trust Officer, Chicago Title & Trust Co.

COMPANY OFFICERS

R. W. JACKSON - - - - -	President
R. L. ARNHEIM - - - - -	Vice President and Treasurer
G. J. CULLINAN - - - - -	Vice President
H. T. EATON - - - - -	Vice President
O. D. FINKENBINDER - - - - -	Vice President
H. J. STENTIFORD - - - - -	Vice President
S. G. ROMAN* - - - - -	Secretary and Assistant Treasurer
H. H. YORMARK - - - - -	Assistant Secretary

FINANCE COMMITTEE

W. T. BRUCKNER, Chairman	W. A. KRAFFT, Vice Chairman
R. L. ARNHEIM	R. W. JACKSON
	LAWRENCE K. SCHNADIG

PROFIT SHARING PLAN COMMITTEE

R. L. ARNHEIM, Chairman	W. T. BRUCKNER
M. A. RISKIND, Vice Chairman	

EXECUTIVE COMMITTEE

LAWRENCE K. SCHNADIG, Chairman	W. A. KRAFFT, Vice Chairman	R. L. ARNHEIM
R. W. JACKSON	M. A. RISKIND	W. P. WISEMAN

*Died March 20, 1953

Aldens 1952 Record in Brief COMPARED WITH PREVIOUS YEARS

	1952	1951	1950	1949	1948 ⁽¹⁾
SALES	\$85,725,928	\$87,443,314	\$79,784,448	\$68,918,480	\$87,841,639
 EARNINGS					
Before Federal Tax on Income	\$ 2,110,653	\$ 3,673,494	\$ 4,554,448	\$ 1,378,742	\$ 2,617,379
After Federal Tax on Income	1,190,468	1,529,344	2,047,808	878,742	1,482,979
Times Preferred Stock Dividend Requirement	8.4	10.6	13.9	5.6	9.2
After Preferred Dividends	\$ 1,048,625	\$ 1,384,844	\$ 1,900,567	\$ 722,023	\$ 1,321,521
Per Share of Common Stock After Preferred Dividends	2.95	3.90	5.35	2.03	3.72
 DIVIDENDS PAID					
Per Share of Preferred Stock	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25
Per Share of Common Stock	1.50	1.50	1.50	1.50	1.50
 ANNUAL EARNINGS RETAINED IN BUSINESS	 \$ 515,853	 \$ 852,072	 \$ 1,367,795	 \$ 189,252	 \$ 646,625
 ASSETS					
Cash and U.S. Government Securities	\$ 2,808,661	\$ 3,134,736	\$ 2,862,678	\$ 3,542,172	\$ 3,121,401
Receivables	16,947,723	15,500,170	12,867,047	8,731,871	10,038,905
Merchandise Inventories	10,591,429	10,625,141	12,236,964	8,087,060	8,974,190
Merchandise on Order	5,176,783	3,899,340	8,631,421	5,278,651	4,824,434
Working Capital	20,124,291	20,126,893	16,227,221	15,722,539	15,419,111
Current Ratio	2.54 to 1	2.68 to 1	2.14 to 1	3.38 to 1	2.62 to 1
Net Fixed Assets	\$ 3,920,670	\$ 3,794,746	\$ 3,729,048	\$ 3,196,711	\$ 3,672,363
Total Assets	37,287,138	35,922,145	34,198,141	25,630,151	28,749,377
 LONG TERM DEBT	 \$ 7,100,000	 \$ 7,400,000	 \$ 4,300,000	 \$ 4,600,000	 \$ 4,900,000
 CAPITAL STOCK					
Preferred Stock—4¼%, \$100 Par	\$ 3,383,163	\$ 3,428,043	\$ 3,487,973	\$ 3,643,393	\$ 3,765,675
Number of Preferred Shares Outstanding	33,300	33,600	34,100	35,900	37,400
Common Stock and Surplus	\$13,287,819	\$12,748,799	\$11,872,799	\$10,478,756	\$10,270,463
Number of Common Shares Outstanding	355,181	355,181	355,181	355,181	355,181
Book Value Common Stock	\$ 37.41	\$ 35.89	\$ 33.43	\$ 29.50	\$ 28.92

(1) Thirteen months ended January 31, 1949

Aldens, INC.

EXECUTIVE OFFICES

CHICAGO 7

OFFICE OF THE PRESIDENT

April 14, 1953

To the Shareholders of Aldens:

Sales for the year totalled \$85,725,928, or 2% less than our all-time high record of 1951. The decline in sales was confined to the catalog division since our retail store volume showed a moderate increase.

Consolidated earnings after taxes for the year 1952 amounted to \$1,190,468, which included a carry-back excess profits tax credit adjustment of \$161,116. This compares with net profits of \$1,529,344 in the previous year. After provision for dividends on preferred stock, earnings per share of common stock equalled \$2.95 as compared with \$3.90 per share for the previous year.

The major causes for the lower profits were increased postage, catalog and operating costs, in a year when farm income declined and competitive selling conditions were more difficult than they had been for several years. These conditions are expected to continue in 1953 and to meet them we are shifting our sales emphasis more and more from rural to urban markets through order offices, telephone units and retail stores, as well as reducing operating expenses back to 1951 levels.

Dividends on common shares for 1952 were maintained at 37½ cents quarterly or an annual rate of \$1.50. This rate of \$1.50 has now been paid continuously since 1947.

Accounts Receivable increased from \$15,500,170 to \$16,047,723 as of January 31, 1953, resulting largely from an increase in time-payment accounts following the removal of Regulation W.

Commodity markets, particularly in textiles, were soft during most of the year. Early 1953 trends show a continued softness. With full availability in all lines of goods, we are continuing our policy of buying to meet normal requirements. As of January 31, 1953 our merchandise inventory and commitments amounted to \$15,768,212, or 6.6% above a year ago, this increase being largely due to commitments placed to cover the earlier Easter date this year.

As a means of improving the efficiency of our operations, a number of steps were taken during 1952 to reduce costs. Certain

fixed organization expenses were reduced, warehousing was streamlined in a number of key departments, and mechanization in the handling of goods was introduced. The benefits from these improvements should accrue to us in 1953.

During 1952 the economy generally experienced a tightening up, with price levels declining somewhat during the latter part of 1952 and the early part of 1953. Nevertheless, the overall economic picture is strong and should continue so for the balance of the year. However, we know that production has caught up with demand, despite the rearmament program, and consequently the balance of 1953 promises to be most competitive.

To assure Aldens receiving its share of the consumer's spendable dollar, we have adopted an aggressive sales program for 1953 by 1) increasing the size of our flyers, 2) featuring strong promotions, 3) offering more merchandise assortments, 4) making more frequent customer contacts, and 5) opening additional catalog offices in nearby cities to capture a greater share of the growing urban market.

It is estimated that sales for the first quarter of 1953 will run approximately equal to last year. Assuming no material change in the general economic situation, we expect a comparable level of sales for the balance of the year.

With the sustained loyal efforts of the men and women of our organization and the continued assistance and support of our sources, customers and shareholders, Aldens can look forward to a satisfactory performance for the year of 1953.

It is with a profound sense of sorrow and loss that I report to you the death on March 20, 1953 of Mr. S. G. Roman, Secretary and Assistant Treasurer of Aldens, Inc. His sudden passing at the age of 43, after 23 years with the company, deeply grieves the Directors and Officers of Aldens.

May the year of 1953 bring to you health and prosperity and a return of peace to the world.

Sincerely,

Ruf Jackson

1952 Review

SALES—\$85,725,928

Consolidated net sales totaled \$85,725,928. This represented a decrease of 2.0% compared with the previous year. A five-year comparison of sales follows:

	1952	1951	1950	1949	1948 ⁽¹⁾
First half of year - - - - -	\$36,735,960	\$36,224,103	\$32,105,016	\$29,796,276	\$37,474,691 ⁽²⁾
Second half of year - - - - -	48,989,968	51,219,211	47,679,432	39,122,204	50,366,948 ⁽³⁾
Total Net Sales for Year - - - - -	\$85,725,928	\$87,443,314	\$79,784,448	\$68,918,480	\$87,841,639

(1) Thirteen months ended January 31, 1949. (2) Six Months. (3) Seven Months.

EARNINGS—\$2.95 PER SHARE

Consolidated profit before Federal taxes on income amounted to \$2,110,653, or 2.5% of sales, for the year of 1952 as compared with \$3,673,494, or 4.2% of sales for the year of 1951. After provision for Federal taxes on income, including carry-back excess profits tax credit adjustment of \$161,116, consolidated net profit for the year of 1952 was \$1,190,468, compared to \$1,529,344 for the previous year. After providing \$141,843 for dividends on preferred stock, net profit per share of common stock amounted to \$2.95 on 355,181 shares of common stock outstanding, compared to \$3.90 per share last year. A five-year comparison of earnings follows:

	1952	1951	1950	1949	1948 ⁽¹⁾
First half of year, before Federal taxes - - - - -	\$ 265,185	\$ 992,640	\$ 1,259,707	\$ 214,039	\$ 517,143 ⁽²⁾
Second half of year, before Federal taxes - - - - -	1,845,468	2,680,854	3,294,741	1,164,703	2,100,236 ⁽³⁾
Total for Year - - - - -	\$ 2,110,653	\$ 3,673,494	\$ 4,554,448	\$ 1,378,742	\$ 2,617,379
Federal taxes on income - - - - -	920,185	2,144,150	2,506,640	500,000	1,134,400
Consolidated Net Profit - - - - -	\$ 1,190,468	\$ 1,529,344	\$ 2,047,808	\$ 878,742	\$ 1,482,979

(1) Thirteen months ended January 31, 1949. (2) Six Months. (3) Seven Months.

FEDERAL INCOME TAX RETURNS REVIEWED THROUGH JANUARY 31, 1951

The Bureau of Internal Revenue has completed its examination of Aldens and its subsidiaries' income tax returns through January 31, 1951. The reserve for taxes amply covers requirements through January 31, 1951 and estimated requirements for the years ended January 31, 1952 and 1953.

1952 Review cont'd.

INSTALLMENT ACCOUNTS RECEIVABLE INCREASED IN 1952

Installment accounts receivable increased from \$15,021,460 at January 31, 1952 to \$16,520,754 at January 31, 1953. Installment sales were 27% of total 1952 sales volume as compared with 25% last year. Following is a comparative summary of the company's net receivables:

	January 31, 1953	January 31, 1952	% Increase 1952 Over 1951
Customers and Trade - - - - -	\$ 2,097,399	\$ 2,144,586	-2.2%
Time Payment - - - - -	16,520,754	15,021,460	10.0
Total Accounts Receivable - - - - -	<u>\$18,618,153</u>	<u>\$17,166,046</u>	8.5
Less—Reserve for doubtful accounts and collection expense	1,670,430	1,665,876	.3
Net Accounts Receivable - - - - -	<u>\$16,947,723</u>	<u>\$15,500,170</u>	<u>9.3</u>

INVENTORY AND COMMITMENTS—\$15,768,212

Following is a comparative summary of the company's inventory and commitment position:

	January 31, 1953	January 31, 1952	% Increase 1952 Over 1951
Merchandise inventory (including in transit) - - - - -	\$10,591,429	\$10,625,141	-.3%
Commitments - - - - -	5,176,783	3,899,340	32.8
Total Inventory and Commitments - - - - -	<u>\$15,768,212</u>	<u>\$14,524,481</u>	<u>8.6</u>

We are maintaining a conservative inventory policy. The earlier Easter date this year largely accounts for the increase in total inventory and commitments over last year. As has been our practice in the past, all goods have been inventoried on the basis of cost or market, whichever is lower.

FIXED ASSETS—\$3,920,670

Consolidated fixed assets increased slightly during 1952:

	January 31, 1953	January 31, 1952	% Increase 1952 Over 1951
Real estate, leasehold improvements and equipment (at cost)	\$6,245,347	\$5,875,561	6.3%
Less—Reserves for amortization and depreciation - - - -	2,324,677	2,080,815	11.7
Net Fixed Assets - - - - -	<u>\$3,920,670</u>	<u>\$3,794,746</u>	<u>3.3</u>

Net Fixed Assets are 10.5% of total assets, approximately the same as last year.

1952 Review cont'd.

CURRENT RATIO—2.54

The company's working capital position at January 31, 1953 compared with prior years is presented below:

	January 31 1953	January 31 1952	January 31 1951	January 31 1950	January 31 1949
Current assets - - - - -	\$33,232,377	\$32,082,208	\$30,420,380	\$22,331,756	\$24,947,194
Current liabilities - - - - -	13,108,086	11,955,315	14,193,159	6,609,217	9,528,083
Net Working Capital - - - - -	<u>\$20,124,291</u>	<u>\$20,126,893</u>	<u>\$16,227,221</u>	<u>\$15,722,539</u>	<u>\$15,419,111</u>
Ratio of current assets to current liabilities -	2.54	2.68	2.14	3.38	2.62

LONG TERM DEBT

Long term debt consists of a 3½% promissory note dated February 16, 1951, due in annual installments of \$300,000 from 1953 to 1956, and \$400,000 annually thereafter through 1965. In February 1966 the remaining balance will be due. During the year 1952, payment in the amount of \$300,000 was made against this note, leaving a balance due of \$7,100,000 as of January 31, 1953.

PREFERRED STOCK RETIREMENT

The sinking fund provisions for preferred stock retirement require 800 shares to be retired on July 1, 1953. At January 31, 1953, 1,900 shares had been acquired at an average cost of \$72.02 per share for sinking fund purposes and are being carried as treasury stock. These shares will be available for the July 1, 1953 and subsequent sinking fund requirements. All shares of preferred stock surrendered for sinking fund purposes are required to be cancelled and cannot be reissued.

BOOK VALUE OF COMMON STOCK INCREASES TO \$37.41 PER SHARE

The common stock and surplus at January 31, 1953 amounted to \$13,287,819 compared to \$12,748,799 at January 31, 1952. This is a book value of \$37.41 per common share as compared to \$35.89 per share at January 31, 1952. The book value is determined as follows:

Book value at January 31, 1952 - - - - -		\$12,748,799
Earnings for year - - - - -		1,190,468
Excess of par over cost of preferred shares cancelled during year - - - - -		23,167
		<u>\$13,962,434</u>
Less: { Cash dividends on common stock - - - - -	\$532,772	
{ Cash dividends on preferred stock - - - - -	<u>141,843</u>	674,615
Book value at January 31, 1953 - - - - -		<u>\$13,287,819</u>
Book value per common share (355,181 shares) - - - - -		<u>\$37.41</u>

1952 Review cont'd.

DIVIDENDS PAID ON COMMON STOCK—\$1.50 PER SHARE

During 1952 dividends of \$1.50 per share were paid on common stock and aggregated \$532,772. This equalled last year's dividend. Dividends paid during the year to the holders of the company's common and preferred stock amounted to \$674,615. The year 1952 marks the nineteenth consecutive year in which dividends have been paid by Aldens.

STOCK OPTION

In connection with a contract entered into between your company and Lehman Brothers and approved by the shareholders on December 7, 1943, five option warrants for a total of 53,000 shares of the unissued common stock were granted to Lehman Brothers. Option Warrant No. 1 for 9,000 shares at \$17 per share was exercised in 1945. Option Warrant No. 2 for 9,500 shares at \$18 per share, exercisable on or before July 1, 1951, was not exercised by Lehman Brothers in consideration of a payment of \$20,000 by Aldens, Inc. to Lehman Brothers on June 18, 1951, at which time the market price per share was \$21 $\frac{7}{8}$. Option Warrant No. 3 for 10,500 shares at \$19 per share, exercisable on or before July 1, 1952, also was not exercised by Lehman Brothers in consideration of a payment of \$15,750 by Aldens, Inc. to Lehman Brothers. This transaction was consummated on April 23, 1952, at which time the market price per share was \$21 $\frac{7}{8}$. This action was taken pursuant to directives of your Board of Directors and accordingly Option Warrants No. 2 and No. 3 became null and void. Two option warrants remain for a total of 24,000 shares of common stock, as follows:

Warrant Number	Number of Shares	Option Price Per Share	Expiration of Option
4	11,500	\$20.00	July 1, 1953
5	12,500	\$21.00	July 1, 1954

ALDENS STOCK PRICE RANGE

The following is a five-year tabulation of the price range of Aldens stocks on the New York Stock Exchange:

	COMMON STOCK					PREFERRED STOCK				
	1952	1951	1950	1949	1948	1952	1951	1950	1949	1948
Shares Traded During Fiscal Year	71,800	132,600	207,460	71,430	94,000	2,995	5,660	3,510	4,290	3,710
High Price During Fiscal Year -	\$23 $\frac{3}{4}$	\$27 $\frac{1}{2}$	\$24 $\frac{5}{8}$	\$18 $\frac{7}{8}$	\$21 $\frac{3}{4}$	\$76	\$80	\$79 $\frac{1}{2}$	\$73	\$80 $\frac{3}{4}$
Low Price During Fiscal Year -	\$18 $\frac{1}{4}$	\$20	\$15 $\frac{3}{8}$	\$13 $\frac{1}{8}$	\$13 $\frac{1}{2}$	\$70	\$70	\$70	\$64	\$65
Price at Close of Fiscal Year -	\$18 $\frac{7}{8}$	\$21 $\frac{1}{4}$	\$24 $\frac{1}{2}$	\$17	\$14 $\frac{1}{2}$	\$72	\$70	\$79 $\frac{1}{2}$	\$69 $\frac{1}{2}$	\$65

SELECTION OF AUDITORS

A committee of three directors, not officers of the company, appointed by your Board of Directors, selected David Himmelblau & Co. to audit the company's records. Certified reports for the fiscal year ended January 31, 1953 are shown on pages 10 to 13.

Consolidated Balance Sheet of Aldens, inc. AND ITS WHOLLY-OWNED SUBSIDIARIES

	<u>ASSETS</u>			
	JANUARY 31, 1953	JANUARY 31, 1952		
CURRENT ASSETS:				
Cash resources—				
Cash on deposit and on hand - - - - -	\$ 2,608,088		\$ 2,933,978	
U. S. Government securities plus accrued interest (market value \$199,819 at January 31, 1953) - - -	200,573 \$ 2,808,661	200,758	\$ 3,134,736	
Accounts receivable—				
Customers and trade - - - - -	\$ 2,097,399		\$ 2,144,586	
Time payments - - - - -	16,520,754		15,021,460	
	<u>\$18,618,153</u>		<u>\$17,166,046</u>	
Less—Reserve for doubtful accounts and collection expense - - - - -	1,670,430 16,947,723	1,665,876	15,500,170	
Inventories (at lower of cost or market)—				
Merchandise inventory, including in transit - - -	\$10,591,429		\$10,625,141	
Paper, supplies and postage stamps - - - - -	834,033 11,425,462	819,085	11,444,226	
Prepaid expenses—				
Advances on Spring season catalogs and expenses - \$	1,952,668		\$ 1,857,631	
Unexpired insurance - - - - -	97,863 2,050,531	145,445	2,003,076	
Total Current Assets - - - - -	<u>\$33,232,377</u>		<u>\$32,082,208</u>	
OTHER ASSETS	134,091		45,191	
FIXED ASSETS:				
Real estate, leasehold improvements and equipment (at cost) - - - - -	\$ 6,245,347		\$ 5,875,561	
Less—Reserves for amortization and depreciation - -	2,324,677 3,920,670	2,080,815	3,794,746	
	<u>\$37,287,138</u>		<u>\$35,922,145</u>	

	<u>LIABILITIES AND CAPITAL</u>			
	JANUARY 31, 1953	JANUARY 31, 1952		
CURRENT LIABILITIES:				
Bank loans - - - - -	\$ 8,075,000		\$ 5,550,000	
Accounts payable—trade creditors - - - - -	1,370,003		1,057,847	
Due to customers for unfilled orders and refund vouchers	1,251,597		1,280,305	
Accrued payrolls - - - - -	636,632		866,351	
Accrued property and franchise taxes - - - - -	203,245		224,270	
Accrued federal and state taxes (returns have been re- viewed by Treasury Department through January 31, 1951)	1,507,212		2,733,973	
Sundry payables - - - - -	64,397		242,569	
Total Current Liabilities - - - - -	<u>\$13,108,086</u>		<u>\$11,955,315</u>	
3½% promissory note, final maturity February 1, 1966 -	7,100,000		7,400,000	
RESERVE ACCOUNTS:				
Insurance reserve - - - - -	\$ 246,588		\$ 225,133	
Returned goods profit and customers adjustments - -	159,000		157,000	
Sundry - - - - -	2,482 408,070		7,855 389,988	
CAPITAL:				
4¼% preferred stock, cumulative, \$100 par—				
Issued - - - - -	\$ 3,520,000		\$ 3,600,000	
Common stock, \$5 par—				
Authorized 600,000 shares				
Issued 355,181 shares - - - - -	1,775,905		1,775,905	
Paid-in surplus (premium on capital stocks) - - - -	1,462,103		1,438,936	
Earnings retained in the business (See Note) - - - -	10,049,811		9,533,958	
	<u>\$16,807,819</u>		<u>\$16,348,799</u>	
Less—Preferred treasury shares, at cost - - - - -	136,837 16,670,982		171,957 16,176,842	
	<u>\$37,287,138</u>		<u>\$35,922,145</u>	

NOTE: Under provisions of 3½% promissory note dated February 16, 1951, due in annual installments to 1966, with respect to the payment of dividends on the common stock, approximately \$2,300,000 of earnings retained in the business was unrestricted at January 31, 1953.

Statement of Consolidated Income

FISCAL YEARS ENDED JANUARY 31, 1953 AND JANUARY 31, 1952

	Fiscal Year Ended January 31, 1953	Fiscal Year Ended January 31, 1952
GROSS SALES LESS RETURNS		
(including leased departments) - - - - -	\$85,725,928	\$87,443,314
COST OF GOODS SOLD		
(including publicity, occupancy and buying expense) -	<u>69,602,336</u>	<u>70,040,553</u>
Gross profit on sales - - - - -	\$16,123,592	\$17,402,761
OPERATING EXPENSES:		
Selling, general and administrative expenses - - -	\$12,690,113	\$12,432,469
Building maintenance and repairs - - - - -	111,914	145,851
Depreciation and amortization - - - - -	286,384	267,542
Social security, property and sundry taxes - - - -	<u>557,311</u>	<u>586,567</u>
Income from operations - - - - -	\$ 2,477,870	\$ 3,970,332
OTHER INCOME:		
Interest received and anticipation - - - - - \$	81,680	\$ 69,506
Miscellaneous income - - - - -	<u>25,806</u>	<u>56,210</u>
	\$ 2,585,356	\$ 4,096,048
OTHER DEDUCTIONS:		
Interest expense - - - - -	474,703	422,554
Income before provision for Federal taxes on income	<u>\$ 2,110,653</u>	<u>\$ 3,673,494</u>
PROVISION FOR FEDERAL TAXES ON INCOME		
Normal tax and surtax - - - - - \$	1,081,301	\$ 1,983,034
Excess profits tax - - - - -	<u>-161,116</u>	<u>161,116</u>
	920,185	2,144,150
NET PROFIT FOR YEAR	<u>\$ 1,190,468</u>	<u>\$ 1,529,344</u>

Statement of Consolidated Surplus

FISCAL YEARS ENDED JANUARY 31, 1953 AND JANUARY 31, 1952

	Fiscal Year Ended January 31, 1953	Fiscal Year Ended January 31, 1952
PAID-IN SURPLUS (premium on capital stocks):		
Balance at beginning of year - - - - -	\$ 1,438,936	\$ 1,415,008
Add—Excess of par over cost of preferred shares cancelled during year -	23,167	23,928
Balance at end of year - - - - -	<u>\$ 1,462,103</u>	<u>\$ 1,438,936</u>
EARNINGS RETAINED IN THE BUSINESS:		
Balance at beginning of year - - - - -	\$ 9,533,958	\$ 8,681,886
Add—Net profit for year from income statement - - - - -	1,190,468	1,529,344
	<u>\$10,724,426</u>	<u>\$10,211,230</u>
Deduct—Cash dividends		
{ Common stock - - - - -	\$ 532,772	\$ 532,772
{ Preferred stock - - - - -	141,843	144,500
	<u>674,615</u>	<u>677,272</u>
Balance at end of year - - - - -	<u>\$10,049,811</u>	<u>\$ 9,533,958</u>

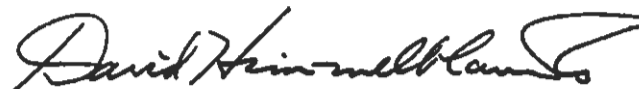
Auditor's Certificate

To SHAREHOLDERS OF ALDENS, INC.:

We have examined the consolidated balance sheet of ALDENS, INC. and its wholly-owned subsidiaries as of January 31, 1953 together with the related statements of consolidated income and consolidated surplus for the fiscal year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and related statements of consolidated income and consolidated surplus present fairly the financial position of Aldens, Inc. and its wholly-owned subsidiaries at January 31, 1953 and the results of their operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with the preceding period.

Chicago, Illinois
March 5, 1953

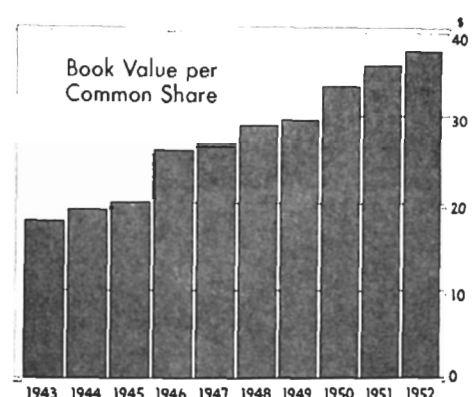
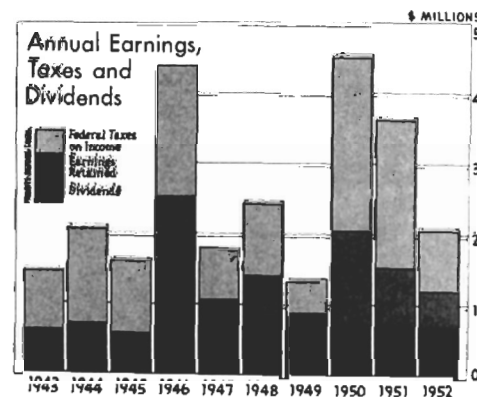
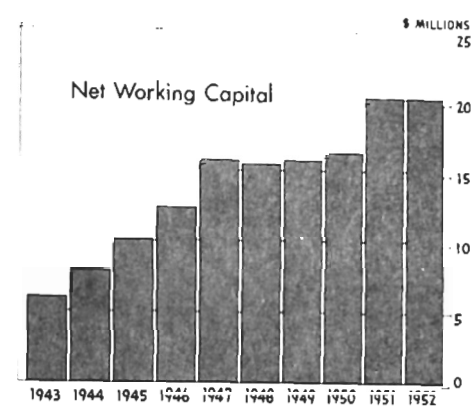
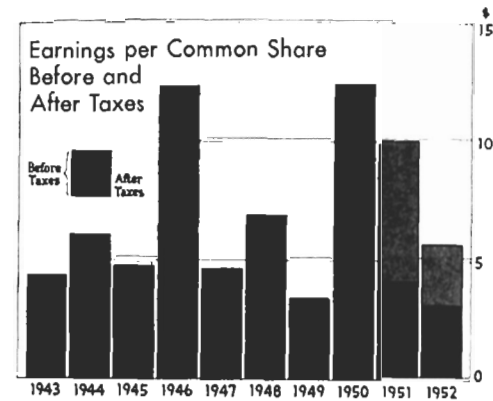


Certified Public Accountants

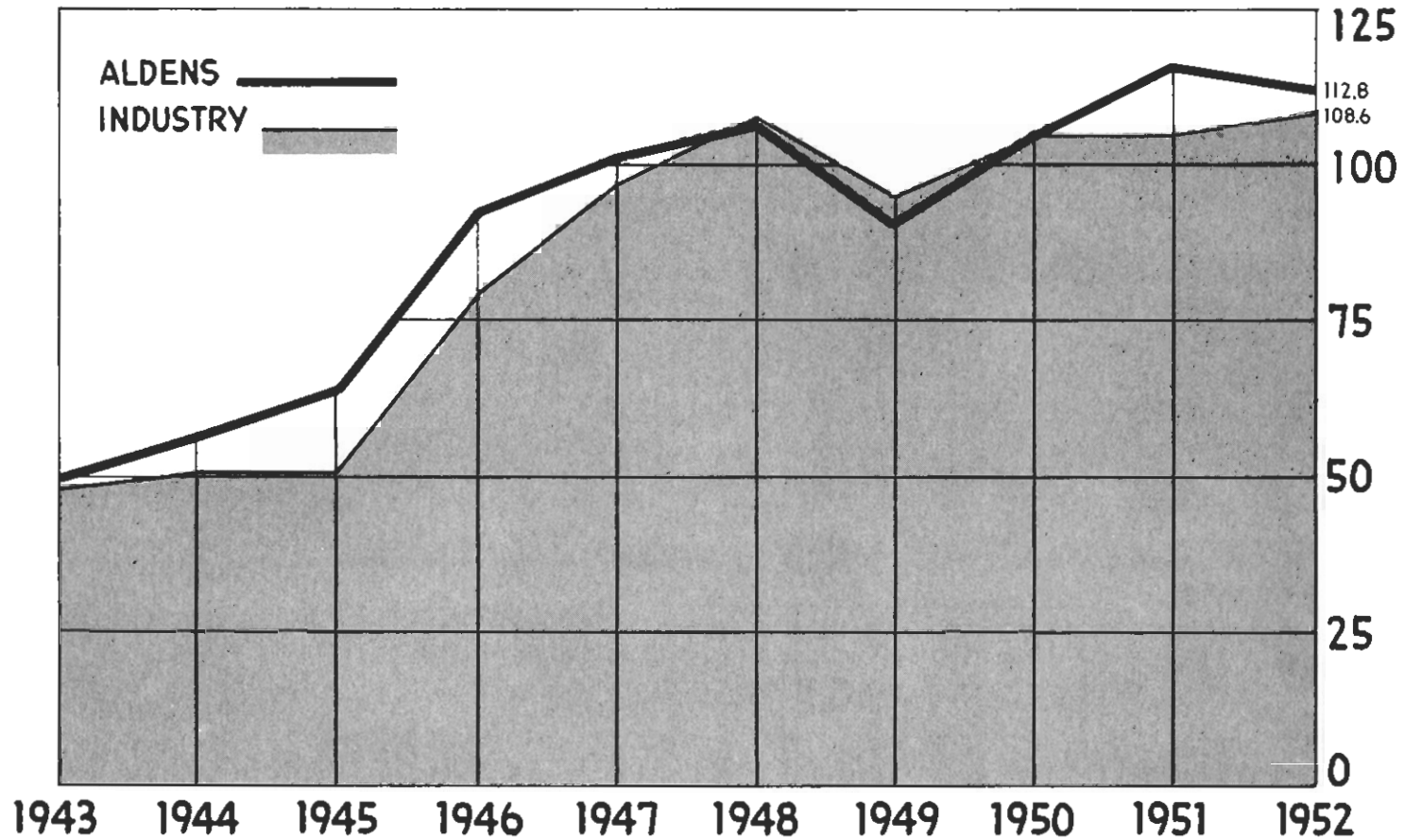
A Ten Year Performance Record of Aldens, inc.

Year (1)	Net Sales	Profit Before Taxes	Federal Taxes on Income	Profit for Year (2)	Common Stock and Surplus	% Profit to Common Stock and Surplus (2)	Book Value Per Share (2)	Profit per Share		Dividends Per Common Share
								Before Taxes	After Taxes	
1952	\$85,725,928	\$2,110,653	\$ 920,185(3)	\$1,190,468	\$13,287,819	8.2(4)	\$37.41	\$5.54(4)	\$2.95(4)	\$1.50
1951	87,443,314	3,673,494	2,144,150	1,529,344	12,748,799	11.7(4)	35.89	9.94(4)	3.90(4)	1.50
1950	79,784,448	4,554,448	2,506,640	2,047,808	11,872,799	18.1(4)	33.43	12.41(4)	5.35(4)	1.50
1949	68,918,480	1,378,742	500,000	878,742	10,478,756	7.0(4)	29.50	3.44(4)	2.03(4)	1.50
1948	87,841,639(5)	2,617,379	1,134,400	1,482,979	10,270,463	13.7(4)	28.92	6.91(4)	3.72(4)	1.50
1947	79,248,307	1,812,571	751,525	1,061,046	9,613,602	9.7(4)	27.07	4.64(4)	2.52(4)	1.50
1946	70,111,169	4,476,901	1,854,119	2,622,782	9,251,018	35.3(4)	26.05	12.32(4)	7.10(4)	1.37½
1945	47,756,102	1,652,271	1,092,519	559,752	7,158,019	8.3	20.15	4.77	1.62	.75
1944	42,223,447	2,119,329	1,413,734	705,595	6,704,902	11.3	19.37	6.12	2.04	.75
1943	36,573,518	1,504,756	898,998	605,758	6,258,943	10.5	18.08	4.35	1.75	.60

(1) 1949 and subsequent cover the fiscal years ended January 31. The year 1948 covers the thirteen month period ended January 31, 1949; 1947 and prior cover calendar years. (2) Includes carry-back excess profits tax credit adjustment of \$161,116. (3) In addition earned surplus was credited \$385,019 in 1948 for reserve for contingencies and was charged \$527,144 in 1948 for writeoff of investment in subsidiaries in excess of cost of net tangible assets at dates of acquisitions, and was charged \$100,000 in 1946 for underwriting fees applicable to issuance of preferred stock. (4) At beginning of year. (5) At end of year. (6) After preferred dividends.



Aldens Annual Catalog Sales Compared to Industry



NOTES TO CHART:

1. 1947-1949= 100%

2. Source: U. S. Department of Commerce

3. Industry: Includes the catalog sales of the four principal mail order companies

Information About Aldens

MERCHANDISE SOLD

Dresses (Juniors', Misses' and Women's), Coats, Suits, Hats, Sportswear, Shoes, Work Clothes, Hosiery, Lingerie, Underwear, Sweaters, Jewelry, Handbags, Accessories, Fabrics, Toys, Housewares, Appliances, Radios, Television Sets, Furniture, Stoves, Floor Coverings, Curtains, Sheets, Pillow Cases, Table Cloths, Infants' and Children's Wear, Sporting Goods, Luggage, Tools, Automobile Tires, Automobile Accessories, Musical Instruments, Typewriters, Paints, and Sundries.

EMPLOYEES

Approximate average number of employees 4,000

CORPORATE DATA

Incorporated (Established in 1889) - - - - - Illinois, December 15, 1902
Approximate number of shareholders - - - - - Common—2460; Preferred—470
Annual Meeting of Shareholders and Directors - - - - - Fourth Friday in May
Regular Meeting Date of Directors - - - - - Fourth Friday in February and August; Fourth Tuesday in November
Regular Dividend Dates - $\left\{ \begin{array}{l} \text{Preferred} - - - - - \text{April 1, July 1, October 1, and January 1} \\ \text{Common} - - - - - \text{Approximately April 1, July 1, October 1, and December 28} \end{array} \right.$
Transfer Agent—Common - - - - - Guaranty Trust Company of New York
Registrar—Common - - - - - The Chase National Bank of the City of New York
Transfer Agent—Preferred - - - - - National City Bank of New York
Registrar—Preferred - - - - - Bankers Trust Company of New York

AUDITORS

Certified Public Accountants - - - - - David Himmelblau & Co., Chicago

COUNSEL

General Counsel—D'Ancona, Pflaum, Wyatt & Riskind, Chicago - - - New York Counsel—Pokart & Pokart, New York

STOCK EXCHANGE DATA

Preferred and Common Stock Listed on New York Stock Exchange (See Page 9).

Aldens Locations

ADMINISTRATION AND BUYING OFFICES

Central Office and Mail Order Plant
 511 South Paulina St., Chicago 7, Illinois
 New York Buying Office
 200 Madison Ave., New York 16, New York
 Credit Office
 1401-17 West Jackson Blvd., Chicago 7, Illinois
 Retail Office
 315-23 South Peoria St., Chicago 7, Illinois

WAREHOUSES

1114 West Cermak Road - - - - Chicago 8, Illinois
 1416-26 West 37th Street - - - - Chicago 9, Illinois
 2401 South Federal Street - - - - Chicago 16, Illinois
 431 West Pershing Road - - - - Chicago 9, Illinois
 † † †

Approximate total space occupied
 by offices and warehouses - - - - - 1,200,000 sq. ft.

ALDENS RETAIL STORES

ILLINOIS

Chicago
 Elmwood Park
 Kankakee
 Rockford

INDIANA

Bedford
 Bloomington
 Frankfort
 Terre Haute

IOWA

Iowa City
 Mason City
MICHIGAN
 Lansing

ALDENS CATALOG OFFICES

ILLINOIS

Aurora
 Berwyn
 Chicago
 Danville
 Decatur
 Harvey
 Joliet
 Peoria
 Springfield
 Waukegan

INDIANA

Evansville
 Fort Wayne
 Gary
 Hammond
 Indianapolis
 South Bend

IOWA

Davenport
 Des Moines

KENTUCKY

Louisville

MICHIGAN

Detroit
 Flint
 Grand Rapids
 Jackson
 Kalamazoo
 Lansing
 Muskegon
 Pontiac
 Saginaw

MINNESOTA

Minneapolis

MISSOURI

Kansas City
 St. Louis

NEBRASKA

Omaha

NEW JERSEY

Newark

NEW YORK

Buffalo
 New York City

OHIO

Akron
 Canton
 Cincinnati
 Cleveland
 Columbus

OHIO (...cont'd)

Dayton
 Springfield
 Toledo
 Youngstown

OKLAHOMA

Tulsa

PENNSYLVANIA

Erie
 Philadelphia
 Pittsburgh

WEST VIRGINIA

Wheeling

WISCONSIN

Madison
 Milwaukee
 Racine

† † †

A total of
 52 locations
 in operation on
 January 31st, 1953.



In the presentation of data in this Annual Report we have followed the pattern of content, typography and format of our annual report of last year. We have done this because our previous report was not only enthusiastically received by shareholders but in addition was also awarded the Best of Industry Award in annual reporting by the "Financial World", a leading business publication. Your comments and suggestions in connection with this report are most welcome because of our desire to make this report as informative to you as possible.

