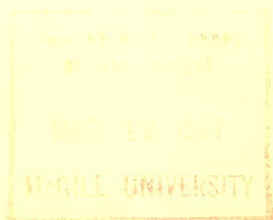
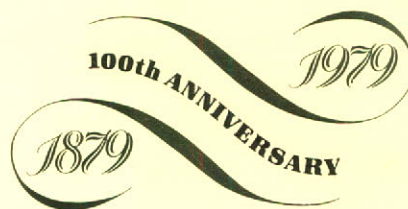


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F. W. Woolworth Co.



F. W. Woolworth Co.



The story of Frank Winfield Woolworth and the company he founded covers a century of technological advances unparalleled in the annals of history. While our horizons have been pushed beyond the stars, we find ourselves earthbound in seeking the fulfillment of our hopes and dreams. The events chronicled in these pages may serve to give heart to those who strive for that fulfillment by following the old-fashioned virtues of hard work, perseverance and integrity as did Frank Woolworth so many years ago.

Contents

PAGE

4	Frank Winfield Woolworth Elected to the Hall of Fame
6	Beginnings and Turning Points: A Chronology of Woolworth's Progress
8	The "Five and Ten" – An American Institution
15	Letter to Store Managers
18	Managers of Woolworth Stores – 1901
20	Merger of F. W. Woolworth & Co. with Five "Friendly Rivals" to Form F. W. Woolworth Co.
22	First Stock Offering of F. W. Woolworth Co.
24	The Woolworth Building
29	Woolworth Dividend Record
35	F. W. Woolworth Today – and Tomorrow
36	Corporate Officers
37	Corporate Office
38	U.S. Woolworth and Woolco Division
42	Food Service Operations
43	Distribution
	Finance and Accounting
44	Kinney Shoe Corporation
46	The Richman Brothers Company
47	F. W. Woolworth and Co., Limited, Great Britain
48	F. W. Woolworth Co., Limited, Canada
50	F. W. Woolworth Co., G.m.b.H., Germany
51	F. W. Woolworth Co., S.A. de C.V., Mexico
	Woolworth Española, S.A.
52	Unit and Sales Growth – 1897 through 1978
	Profile of the Company
54	Directors
55	Corporate Officers
56	Thanks, America!

*To Our Customers, Employees,
Shareholders, Suppliers and Friends:*


On this our 100th anniversary, we wish to thank our loyal customers, employees, shareholders, suppliers and friends who over the years have helped to make Woolworth a household word. . . . a national institution. . . . an international symbol.

While many of our long-time customers remember us fondly as the "Five-and-Ten," rising costs and inflation over the years have obliterated this identification on which our retailing success initially was built. The underlying spirit of service and value, however, still is very much a part of our company's policy. Certainly there is no stronger testimony to the soundness of the retailing concept that Frank Winfield Woolworth incorporated in his first successful store in Lancaster, Pa. in 1879 than its longevity and success.

As we embark on our second century, we look forward not only to maintaining the high level of service that has characterized our company's growth but also to providing our customers with quality merchandising at the lowest possible price. While times may change, we firmly believe our founder's simple philosophy of customer satisfaction and service will endure for generations to come.



EDWARD F. GIBBONS Chairman and Chief Executive Officer



W. ROBERT HARRIS President and Chief Operating Officer

FRANK WINFIELD WOOLWORTH (1852-1919),
whose simple idea of a “Five-and-Ten”
store opened a whole new era in retailing,
was one of four merchants elected to the
Retailing Hall of Fame in the Chicago
Merchandise Mart when it opened in 1953.
The Hall of Fame citation noted that
Woolworth “created a new theory of
merchandising importantly improving
American living standards.”

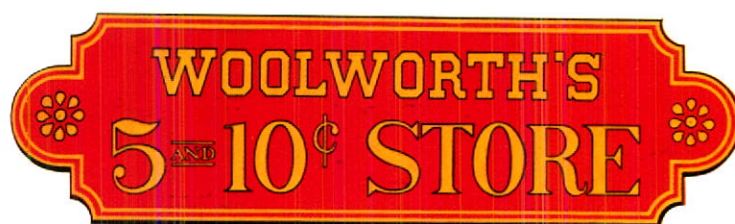


Beginning and Turning Points: A Chronology of Woolworth's Progress

- 1678** Richard Wolley (his name later changed to Woolworth), the family's American progenitor, emigrates from the town of Wooley in England.
- 1852** Frank Winfield Woolworth is born to John Hubbell Woolworth and Fanny McBrier Woolworth on April 13 in Rodman, N.Y.
- 1873** Frank takes his first job, a non-paid apprentice at Watertown's Augsburg & Moore (later Moore & Smith) Corner Store. He is put on the payroll as a clerk three months later.
- 1878** A "5 cent counter sale," the first in the area, is held at the Corner Store. Frank Woolworth supervises it.
- 1879** Frank Woolworth obtains credit from Moore and on February 22 opens the first Woolworth's – "The Great Five Cent Store" in Utica, N.Y. His first sale is a 5 cent coal shovel. Store failed and closed early in June.
- 1879** Woolworth opens a successful 5 cent store stocked with \$410 worth of "Yankee Notions" in Lancaster, Pa.
- 1880** Lancaster store becomes the world's first five-and-ten.
- 1880** The second successful store in the Woolworth chain is opened in Scranton, Pa., by Frank and his brother Charles Sumner Woolworth.
- 1886** Frank Woolworth sets up central headquarters at 104 Chambers Street in lower Manhattan.
- 1890** After first buying trip to Europe, Woolworth makes European goods available in America for a nickel and a dime.
- 1895** Woolworth pioneers in giving employees paid vacations.
- 1900** The new century begins with 59 Woolworth stores. Total annual sales are \$5 million.
- 1905** Frank Woolworth incorporates his \$10 million, 120-store syndicate as F. W. Woolworth & Co. He is first president.
- 1909** Woolworth opens first of the immensely successful British "three and sixes" as Woolworth stores are termed in England.
- 1912** Frank Woolworth merges his stores with five other retailers (W. H. Moore, C. S. Woolworth, F. M. Kirby, S. H. Knox and E. P. Charlton). Under the "\$65 Million Merger" F. W. Woolworth & Co. becomes the F. W. Woolworth Co., with 596 stores, has \$52 million in sales. Frank Woolworth is president and chief stockholder.

- 1913** President Woodrow Wilson presses a telegraph key in Washington on the evening of April 24 to open Woolworth's New York building.
- 1919** Frank Winfield Woolworth dies on April 8 at age 66. The F. W. Woolworth Co. consists of 1,081 stores with total annual sales of over \$119 million.
- 1926** The first Woolworth store in Germany opens.
- 1929** On company's Golden Anniversary there are 2,247 Woolworth stores with sales of over \$303 million.
- 1932** The ten-cent price ceiling at Woolworth's is lifted to 20 cents.
- 1935** All arbitrary price limits are removed by the board of directors.
- 1945** Woolworth's annual sales exceed \$477 million. Many employees return from military service in World War II.
- 1947** Charles Sumner Woolworth dies at age 91.
- 1953** Frank Winfield Woolworth becomes one of the first four merchants elected to the Retailing Hall of Fame.
- 1954** Celebrating its Diamond Anniversary, F. W. Woolworth Co. consists of 2,850 stores with annual sales of \$700 million. Woolworth becomes an important national advertiser in print, radio and T. V.
- 1960** Woolworth's annual sales top one billion dollars.
- 1962** The first Woolco store opens in Columbus, Ohio. The first Woolco in Canada opens in Windsor, Ontario.
- 1963** Woolworth's downtown Denver store expands to 174,000 square feet overall, making it largest variety store in world.
- 1964** Woolworth introduces Harvest House restaurants and cafeterias. Operation is separate from in-store food services that feed a million people a day.
- 1965** Woolworth acquires the G. R. Kinney Corporation, a shoe manufacturer and retailer.
- 1969** Woolworth acquires the Richman Brothers Company, a manufacturer and retailer of men's and boys' clothing.
- 1972** Woolworth and Woolco divisions in U.S. are consolidated.
- 1978** Consolidated annual sales top six billion dollars.
- 1979** F. W. Woolworth Co. celebrates centennial with some 200,000 employees worldwide.

The “Five and Ten” – An American Institution



THE WORLD'S FIRST FIVE AND TEN in Lancaster, Pennsylvania, was a uniquely American institution, a 100% Yankee invention—unlike the country store, the department store. But on the day it opened, Frank Winfield Woolworth himself wouldn't have bet a dime that the little enterprise he founded would become the great F. W. Woolworth Co., a multi-billion dollar giant with more stores than any chain in the world.

“Woolworth's” would become instantly recognizable to countless millions around the world. The words “Woolworth's” and “Five and Ten” would be recorded in the English language everywhere from the stories of O. Henry to the *DICTIONARY OF AMERICANISMS*. They would even figure in the lyrics of popular songs Americans would sing over the years: *“I found a million dollar baby in a five and ten cent store”* ... *“Diamond bracelets* Woolworths doesn't sell, baby.”*

Woolworth's would go on to serve more meals at its food units in a given day than any restaurant chain in the world, would sell more candy than any candy store chain, more toys than any toy store chain. It would become an international retailer in department, discount and specialty store fields, as well as the world's greatest variety store chain. The company founder himself would build what many still consider to be the most beautiful office building anywhere, a “cathedral of commerce.”

It all began in 1873, at a time when young Frank Woolworth was struggling to survive and people

were wondering if he'd make it. In fact, Woolworth's first day at work, his first day in the retailing business, should provide solace for anyone just starting out at anything. It is best retold in the plain words of that young “boob from the country,” as the 21-year-old Woolworth later described himself:

“When most of the clerks had gone to dinner,” Woolworth recalled, *“in came an old farmer and said to me: ‘Young man, I want a spool of thread.’* I didn't know where they kept the thread, so I went over to Mr. Moore, who was busy at his desk, and asked him. *‘Right in front of your nose, young man,’* he snapped without looking up from his writing.

“I pulled out a drawer directly in front of me and, sure enough, found it full of spools of thread. ‘I want number forty,’ said the farmer. I never knew until that moment that thread had a number. I fumbled all around the drawer looking for number forty but could not find it. I appealed to Mr. Moore to know if we kept number 40. *‘Certainly; right in the drawer in front of you,’* he said quite sharply. I had to tell him, *‘I can't find any.’ ‘Just as I expected,’* he said testily as he got down from his desk and showed me the right kind of thread. He immediately returned to his desk.

“‘How much is it, young man?’ asked the farmer. I had to turn to Mr. Moore. It was eight cents. The farmer pulled out a ten-cent shinplaster. *‘Mr. Moore, where do I get change?’* I had to ask. *‘Come right up to the desk and make out a ticket,’* he ordered me. I picked up one of the blanks and studied it all over to see what I could do with it. But I was stumped.

*Woolworth's now sells diamonds, too!

"*'Mr. Moore, I don't believe I know how to make this out,' I had to confess. 'Hand it to me; I will show you,' he replied. Next I had to ask, 'Where do I get my change?' 'There's the cashier there; can't you see him?' he said impatiently. . .*"

So it went for the next few months, during which the jack-of-all-trades labored on a trial basis at no salary. Once Woolworth had to be sent home to put on a white dress shirt, another time he tried to unroll a bolt of calico when waiting on a local VIP and flooded the aisle with cloth. No matter. The former farmboy who hated it down on the farm would more than overcome this bungling beginning.

Persistence and tenacity were always strong suits. Young Woolworth finally went on the store payroll at \$3.50 for a six-day 84-hour week, or a grand 4½ cents an hour. At any rate he clerked off and on for some six years at the Augsbury & Moore Corner Store in the frigid north country of Watertown, New York.

The Woolworth family, which took its name from the town of Wooley in England, had farmed in the area, noted for record snows from November to April, almost since its colonial forefather, Richard, a weaver, came to America in 1678. Frank had been

born in Rodman, New York, on April 13, 1852 to John Hubbel and Fanny McBrier Woolworth, the family moving to Great Bend seven years later.

A lanky boy with impish sparkling blue eyes, he was always one of the most intelligent and industrious students in the one-room red schoolhouses he attended in Rodman and Great Bend until he turned sixteen. "*Frankie was a bright pupil,*" his teacher, Emma Penniman Otis, once recalled, "*and he never gave me the least trouble. He was inclined to be soberminded, not at all prankish, and always had his lessons.*" Frank shared his parents' deep moral convictions—both were honest, hardworking, frugal individuals who ardently opposed slavery.

Almost from the beginning Frank had yearned to escape the endless drudgery and monotony of farm life. His desire to break away from the farm was foreshadowed as far back as early childhood, when his favorite game was playing "store." Even after his early schooling he took a few courses at a local business college. Clearly he was destined for a career in retailing.

A change in jobs led to more discouragement when Frank's new employer, A. Bushnell & Co., a local dry goods and carpet store, lowered his weekly salary from ten to eight dollars because he was such a poor salesman. Woolworth responded by working all the harder, leading to a complete breakdown that cost him his job and a half year's time convalescing.

With the help of his parents and Jennie Creighton, a Canadian girl he had met while she worked as a seamstress in Watertown, he came through the long illness and married Jennie in the spring of 1876. Good fortune promptly followed. His old employer, kindly William Harvey Moore, who earlier had taken Perry Smith as a partner and now called his emporium the Moore & Smith Corner Store, asked Woolworth to come back. Frank gladly returned, increasing the store's trade with his talent for window displays.



This small retail store is typical of the "Five and Tens" opened by Frank Woolworth in the 1880s, the forerunners of his successful syndicate in the northeastern United States.

Woolworth's first intimation of success came in 1878 when he helped launch the Corner Store's successful calico-draped "5 cent counter," a sales promotion that provided the inspiration for his own five and ten cent empire.

The "5 cent counter," among the first in the East, had been tried before in a number of places. In fact, a drummer told Moore and his partner about a five cent sale in Port Huron, Michigan where within a few hours customers had stripped the counter bare. Not only had shoppers cleaned off the five cent counter, they had bought other expensive merchandise as well.

Since the Corner Store had a staggering \$35,000 of surplus goods which had to be sold to meet its payroll and rent, W. H. Moore rushed an order to the drummer's company—New York's Spelman Brothers—for \$100 worth of "Yankee Notions" to be used as "leaders."

It was young Woolworth who arranged the five cent goods for display on a ten-foot-long counter he improvised from two old sewing tables. "Yankee Notions" were, of course, the staples of the Yankee pack peddlers, those colorful American merchants, whose sturdy backs were the first stores, who hawked their wares through the sparsely settled countryside, singing "cries" like: *"Scuttles and cans / Buttons and bows / I'll cure your ills / I'll cure your woes!"*

Woolworth, on one of the most important days in his life, was to an extent unknowingly following in the footsteps of former peddlers who founded retailing enterprises such as Gimbel's, Macy's, Saks Fifth Avenue and Hudson's Bay Trading Company.

Frank arranged the "Yankee Notions" with great care: the safety pins, thimbles, combs, buttonhooks, collar buttons, boot straps, pencils, baby bibs, soap, dippers, harmonicas and turkey-red napkins. To the calico-draped counter he added "chestnuts" or "stickers," surplus stock that wouldn't move, nailing over the display his

homemade placard reading "Any Article On This Counter Five Cents."

Planned for the opening day of the Jefferson County Fair, the 5 Cent Sale was an immense success. "Like magic, the goods faded away," Woolworth later recalled. This successful sale and others like it encouraged him to ask Moore to lend him \$315.41 worth of "Yankee Notions," for which his father signed a note, and to open his own store in Utica, New York.

Woolworth's "Great 5¢ Store," which opened on Washington's Birthday in 1879, got off to a good start, Frank making his first sale the night before to a woman who interrupted him while he "worked like a Trojan" unpacking goods and decorating the fronts of the counters with bright red cambric. The lady demanded one of the "5 cent coal shovels" advertised on fliers he had distributed. He later re-

PRICE PER GROSS FOR ITEMS IN STOCK
AT THE FIRST WOOLWORTH STORE

Toy dustpans	\$4.75	Scalloped pie plates ...	\$5.75
Tin pepper boxes	3.75	Baseballs	4.75
Drinking cups	3.50	Cast-iron cover lifters ..	4.00
Gravy strainers	5.50	Tack hammers	4.85
Tin scoops	5.65	Tack claws	5.25
Purses	5.25	Animal cake cutters ...	4.00
Biscuit cutters	3.00	Cake turners	5.65
Flour dredges	5.25	Large graters	5.25
School straps	4.50	Jelly-cake tins	4.75
Skimmers	2.50	Writing books	5.00
Egg whips	5.50	Pencil charms	5.75
Apple corers	5.75	Lather brushes	5.50
Sad-iron stands	5.00	Tin spoons	4.00
Fire shovels	5.50	Police whistle	5.00
Boot blacking	5.75	Pie plates	4.75
Animal soap	5.85	Red jewelry	5.00
Stamped-in cup	5.50	Turkey-red napkins . doz.	.50
Candlesticks	4.50	Handkerchiefs ... doz.	.40
Ladles	4.50	Linen thread ... doz.	.39
A B C plates	2.50	Barbers' thread ... doz.	.43

June 22, 1879

Dear Father:

I opened my store here for trade yesterday and did not advertise any. No one knew there was a 5¢ store in this city until Friday night and we managed to sell yesterday in one day \$127.65, which is the most I ever sold in one day; we sold \$80 in the evening alone. I had 7 clerks and they had to work, you bet. We could have sold \$200 if the store had been larger. I think some of starting a branch store in Harrisburg, Pa. and putting Sumner in it if Moore & Smith will spare him.

Frank

gretted that he hadn't taken her name. It would have been nice to have had some particulars about this anonymous customer, the first of millions to shop Woolworth stores around the world. Yet, perhaps, it is more appropriate that she can be considered a composite of all the richly varied races, nationalities and economic groups the company has served for over a century.

In any case, the first Woolworth store prospered for several weeks, but, owing to a poor out-of-the-way location, this little 14x25-foot shop on Bleeker Street didn't attract enough customers. Woolworth tried to drum up business by distributing thousands of handbills around town but the tactic failed. Chalking this up to experience, he decided to scout out a different location. At least he had managed to pay back W. H. Moore, save some \$250, and buy his Jennie a \$45 fur dolman.

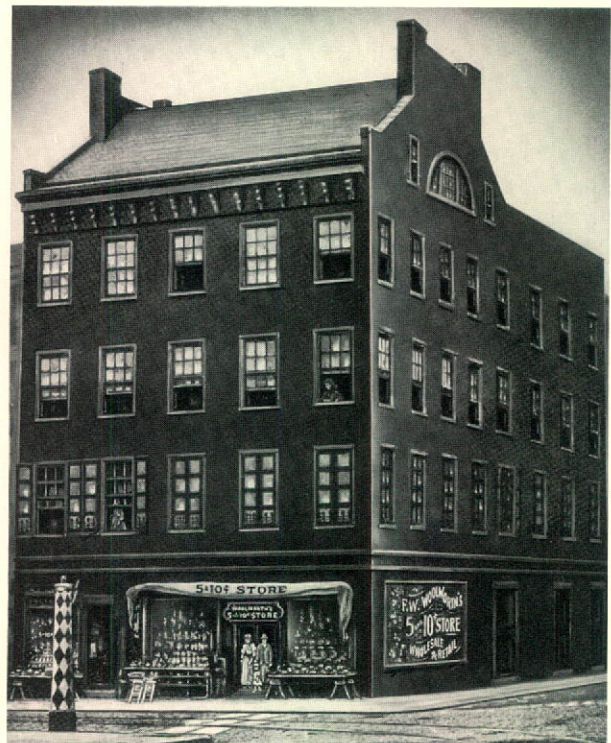
Uprooted again, Woolworth took the advice of a friend and journeyed to Lancaster, Pennsylvania, home of the thrifty Pennsylvania Dutch, who appreciated a good bargain as much as anyone and more than most. This city of 35,000, the oldest inland city in America, appealed to the young merchant, who was particularly impressed by the crowds of shoppers strolling the streets on the evening his train pulled into town. Early the next morning, after spending the night in a "vile old hotel," Woolworth found a vacant "tumble down" store at 170 North Queen Street and quickly rented it for \$30 a month.

Here was founded what would soon be the world's first five and ten cent store (a fact supported by Joseph Kane's FAMOUS FIRST FACTS, and other respected reference works). Truly a new kind of store, it was to profoundly change the course of



Closeup view of Lancaster store shows 5-cent merchandise being displayed on sidewalk, a forerunner of "sidewalk" sales popular in many areas today.

Woolworth's first successful store, in Lancaster, Pa., occupied the main floor of this building at 170 North Queen St. A modern Woolworth store is located a few blocks away on North Queen Street.



American retailing and become a part of the very warp and weft of American society. Not that Woolworth didn't have problems that opening day. The circus had come to Lancaster complete with its traditional parade down city streets and Frank, who had invested \$410 in "Yankee Notions," spent the morning worrying about whether anyone at all would come into his store.

Later he would say this was the most trying day in his life, but when the circus parade ended hundreds of people found their way to Woolworth's and his seven bustling clerks took in \$127.65, selling 31% of the stock. A jubilant Woolworth wrote to his father that he had never been so busy or sold as much in one day; 2,553 nickel purchases had been made and all without benefit of any advertising whatsoever.

Success in Lancaster continued and by the next summer the "Great Five Cent Store" sign over the entrance was changed to "5 and 10 Cent Store" and finally to "Woolworth's 5 and 10¢ Store." Frank Woolworth had decided that the only way he could offer his customers appealing quality bargains, lacking great buying power as he did, was to increase his fixed price limit to ten cents.

"As soon as we added 10 cent goods to the line," he later wrote, *"we took away part of the 5 cent store's charm—the charm of finding only one price on a counter, and only one price in a store. But as long as we kept the 5 cent goods on one side of the store and 10 cent goods on the other, the charm was not entirely lost. It remained a charm just the same."*

That "ten cent decision" was another of the great turning points of Woolworth's career. It enabled him to scout bargains from more manufacturers than ever before and he traveled widely hunting for new five and ten cent items. One find was the Christmas tree ornaments that he popularized in America and which grossed millions for the company in years to come. Woolworth discovered these at the importing firm of Meyer & Schoenaman in Philadelphia and

the proprietor had to convince him that profits would be large enough to offset breakage. In any case money flowed into the store's cashbox, but ironically it wasn't the coins associated with later five and dimes.

Coinage had practically been abandoned during the Civil War due to metal shortages. As a substitute the government had issued stop-gap fractional paper



"Shinplasters" were a stop-gap paper currency issued by the U.S. government during the Civil War.

currency (contemptuously dubbed "shinplasters" because soldiers were said to use them as bandages) in denominations of 3, 5, 10, 15, 25 and 50 cents. Since the 1875 law enacted by Congress providing for the replacement of fractional currency by coins didn't call for redemption until January 1, 1879, Woolworth's sales were for "shinplasters" until about the middle of the next year.

Woolworth's first successful store, down the block from the spot where the Continental Congress met on September 27, 1777, still thrives in Lancaster. Although relocated at a site close by the original location, this historic store in a historic city boasts an exhibit on one ground floor wall that chronicles Woolworth's early years and still counts among its most valued customers the descendants of Amish Mennonite folk whom Woolworth served.

The early Lancaster years were heady ones for Woolworth, filled with all the enthusiasm of youth. When not on buying expeditions, he sat at his desk

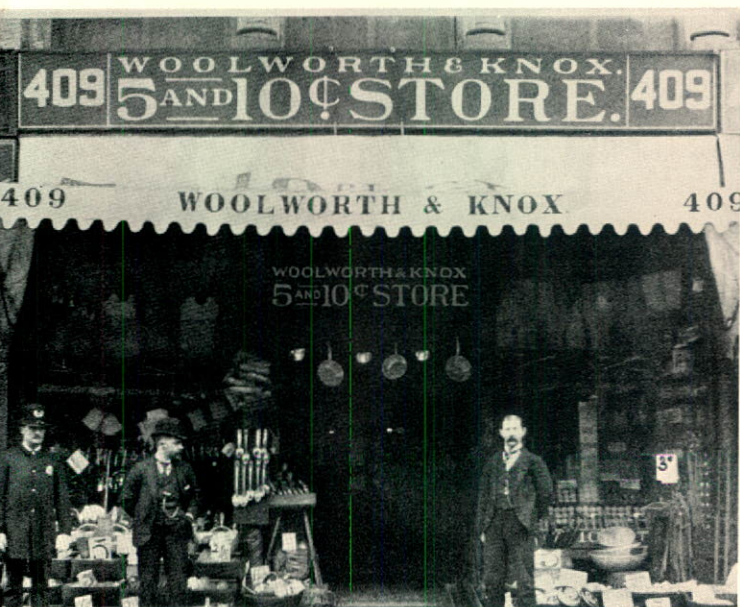
on the landing of a rear stairway looking out over his empire. Expenses were kept to a bare minimum. Packages were wrapped in newspaper rather than standard wrapping paper, which then cost eight cents a pound; and the clerks, who followed the customers around rather than taking a station at any counter, were paid \$1.50 a week. As was the custom then, all change was made by the proprietor, Woolworth, entering each sale on a tablet that he toted up every night before he walked home to his modest house, still standing, at 237 West Lemon Street. The best sellers were tinware, toys, wash-basins, wash towels, handkerchiefs and ribbons.

These economies and a flourishing trade enabled Woolworth to save some \$2,000. Years later when his stores numbered hundreds, he reminisced, "I was worth \$2,000 which looked bigger to me than \$20,000,000 would now."

His success emboldened him to branch out and

on November 6, 1880 the Woolworth chain was born when he opened a second successful Woolworth store at Scranton, Pennsylvania, with his brother Charles Sumner "Sum" Woolworth as manager. A little known experiment with 25 cent merchandise did not yield satisfactory sales and profits and Woolworth became even more committed to the five and ten cent idea.

By 1886 there were seven Woolworth stores and the famous Woolworth red-fronts had already made their debut. The bright carmine red-fronts, now substantially phased out, were apparently suggested by the older A & P grocery chain, though the "Diamond W" trademark adopted at the time was Frank Woolworth's own idea. Over the years—and it lasted until 1968 when replaced by the now familiar modern blue logotype – it became as well known as the MGM lion, the bearded Smith Brothers or the masthead of the NEW YORK TIMES.



The first Woolworth & Knox store was opened in Reading, Pa. in 1884 after Frank Woolworth invited his cousin, Seymour H. Knox, to enter into business partnership.

The original red-front stores were often operated by partner-managers, among them "Sum" Woolworth and Frank's favorite cousin, Seymour Horace Knox. These two men, who shared the profits with Woolworth, eventually bought out Frank's interests in their stores and went on to develop their own great chains, although they would rejoin Woolworth again years later. "Sum" Woolworth and Fred M. Kirby were partners in opening a store in Wilkes-Barre, Pa. in 1884. Three years later Kirby bought out his partner and began to build his own organization. Another establishment that Woolworth helped get started was the W. H. Moore 5¢ & 10¢ Store in Watertown. Moore's Corner Store had failed in 1885 and Frank, remembering the older merchant's

Frank W. Woolworth wrote daily General Letters advising his managers how to run their stores. Often he'd send the same telegram to all his units with advice on how to treat customers. One of them read: "Good morning. Did you say 'Good morning' to each customer this morning?"
Frank W. Woolworth."

kindnesses to him, stocked a five and ten for him in the same building, a store that later merged with Woolworth's.

In all, Woolworth opened 12 partner-manager stores, discontinuing this practice in 1888. All of the new stores after that time belonged solely to Frank Woolworth, with their managers sharing in the profits. The stores and managers all benefitted because the founder was able to buy for cash in great quantities and offer shoppers what he called "plums" or "corkers," nickel and dime bargains that produced a profit.

The times were good, too. America's gross national product had almost doubled in a decade to \$9 billion. In 1860 the country had only been in fourth place among industrial nations and was now well on its way to first place. Taking advantage of the booming economy, Woolworth forged ahead, always supremely confident. Many years later a magazine

revealed how honestly and directly this big, bluff and hearty man would buy in great quantities to get the price down.

"Here's a 20 cent knife that you make," he told one manufacturer, "if I gave you a big order, at what price would you sell it to me?"

"Sixteen cents," the knife man said.

"If I give you an order sufficient to keep your factory busy night and day, twenty-four hours, for a year, what then?"

The manufacturer figured several minutes. "Eight cents," he finally said.

"Done," Woolworth replied.

According to Frank Woolworth the most important turning point in his career came in late 1888, when while bedridden with typhoid fever for over two months, he realized the importance of delegating authority. "Before that," he later recalled, "I felt it was up to me to do everything myself. I was



Frank Woolworth's retailing career was launched in William Harvey Moore's Corner Store in Watertown, N.Y. The building housing the Corner Store later served as Woolworth's statutory principal office for 50 years.

New York, Jan. 14, 1891

To All Store Managers:

This is the time of year to push soaps, paper, envelopes, tinware, woodenware, music, notions, etc. I hope none of the stores will be foolish enough to place toys in the windows. You can make a handsome 5 cent window of soaps or stationery. A window of 10 cent tinware looks good if properly trimmed.

Glassware and crockery are holiday articles. I am convinced that some of the stores pay too much attention to these goods. Bear in mind, there is not so much profit in these as there is in some other lines. Profit is what we are working for, not sales or glory. I know of a store that does not like to put a line of woodenware in the window as it does not look as nice as crockery. This is not the way to make good profits. Don't be afraid to put goods in the window once in a while that pay a good profit.

When you get in that new soap from Cotton Oil Product Co. I would advise you to make a nice show window of soap, and include all the kinds you have in stock.

We do not care to make a run on box paper that costs over 7 cents each, as it interferes with your line of paper and envelopes that you make a big profit on. Some of the stores have worked up a big trade on paper and envelopes, and some of the stores sell very little of them. This is a fault of yours, and not of the goods. In order to successfully get up a trade on paper and envelopes and hold it, you must make a nice display of them in the window. In the background display a large quantity of envelopes in their boxes neatly arranged with the price "5 cents per pack" marked on.

This is not all. Some time ago I was in one of the stores and their display of envelopes and paper looked awful. The envelopes had the bands broken, and there were some of them tied up with strings and some were loose. It was not necessary to ask if the goods sold well, as it was evident they did not. I asked just the same, and the reply was "No, they don't sell at all, I wish you would not buy any more for us." It was my time to talk then. I ordered all the rotten dirty stuff off the counter, and made a nice display of bright, clean goods. The result was this store has established a big trade on these items. I have done the same thing with the same result in several stores.

Frank W. Woolworth



CARSON C. PECK (1858-1915), was the architect of the present F. W. Woolworth Co. The leadership and flexibility that he built into the early Woolworth organization made it possible in 1912 to merge the individual retail organizations of the founders within a short time. Peck became a director, vice president, general manager and chairman of the executive committee upon the merger and was the active head of Woolworth until his death on April 29, 1915.

sure that there was nothing I couldn't do better than any of my employees—even dressing windows and opening boxes of merchandise. During my long absence, I found things had gone along quite well. After that, I changed my tactics. I let others attend to the ordinary running of the business and devoted myself to working out plans for expansion—and we made much greater progress.”

The man Woolworth chose to handle the day-by-day operations of his growing concern was Carson C. Peck, a fellow clerk during his “learning” days in Watertown’s A. Bushnell & Co. store and his partner-manager in a successful Five and Ten in Utica. Recognizing the many talents of Peck, Woolworth offered to buy out his interest in the Utica store and bring him to New York as his first general manager.

Woolworth promised Peck “more money than you’re making now” and “a great deal more in the future.” In the years that followed Carson Peck’s contributions in the areas of administration, merchandising and finance were to make their mark in the annals of the company.

Yet by no means did Woolworth relax when he got back in harness—not by ordinary standards. A buying trip to Europe in 1890, made possible by Peck’s assumption of responsibility, brought foreign products flowing into Woolworth stores at nickel and dime prices which added to the attractiveness of the merchandise. Several Woolworth stores became the scenes of riots over these novel European goods and one newspaper reported that a policeman sent to calm a crowd battling for bargains in the Syracuse store had joined in the melee himself.

In one period of two months Frank Woolworth helped open five stores to the tune of a “Woolworth March”, a special song played by a band during all store openings of this era. He ordered stock for all of them, established an Approved List identifying stock available for manager-reorder, and visited them periodically to check their day-by-day opera-

tions. He rearranged store windows, supervised sales and urged economies like using “thin paper” to save postage. Often he made unannounced visits to his stores, posing as a customer.

At least once the founder even posed as a shop-lifter to check security. Slipping into a store unnoticed, he grabbed everything in sight, dropping three hundred picture postcards into his overcoat pocket, cramming other pockets with ribbon, cakes of soap, rubber balls, stick pins, bow ties and even a claw hammer. It took him only three minutes to pocket ten dollars worth of goods, and he dumped those on the manager’s desk, acidly remarking, “I could have filled a delivery truck.” Needless to say, forays like these resulted in tightened security. By 1900 all Woolworth stores were up-to-date for the time, cash registers replacing the old Lamson Cash Cable System in most of them.

Like John Wanamaker, another merchant prince, Woolworth believed that “The customer is always right,” adding: “He or she is right whether he or she



Sales in turn-of-the-century Woolworth stores were “rung up” on oversized cash registers, while merchandise was displayed on open counters, along with an ample supply of price signs.

is not!" He demanded courtesy and efficiency from his employees and held them to strict accountability, and he rewarded many with advancement up the ladder.

Woolworth wages, like all early retailing wages, were hardly high, but Frank Woolworth pioneered many such benefits as paid vacations and Christmas bonuses before most firms in the 1890s, and thousands of lower echelon employees advanced to store managers and positions of greater authority over the years.

Frank Woolworth continued to expand by opening new stores and buying out other chains. In February, 1904, for example, he purchased the 14 stores of Phohl, Smith & Co. In all, 37 stores were purchased in 1904 and another seven opened. On February 16, 1905 the founder incorporated the syndicate, then 120 stores in number, as F. W. Woolworth & Co., with himself as president.

The \$10 million New York corporation—Woolworth had set up his central headquarters on

Chambers Street in lower Manhattan as early as 1886—offered 50,000 shares of \$100 preferred stock at par value to Woolworth employees, while 50,000 shares of \$100 common stock, which carried sole voting power and control of the corporation, went to Woolworth and top executives.

Interestingly, of the company's first board of directors—president Frank Woolworth, vice president Carson C. Peck, vice president C. P. Case, secretary-treasurer H. T. Parson, and H. A. Moody—only Parson hadn't begun his retailing career in a Watertown store.

F. W. Woolworth & Co. continued to grow, thanks mainly to Frank Woolworth's keen merchandising talent, his buying power, his uncanny ability to select top managers ("good generals" as he called them), and the "Woolworth Idea." Like all great perceptions the Woolworth Idea was simplicity personified—simple, that is, after someone had thought of it. It consisted of selling goods at a *fixed cash price*, either a nickel or a dime, encouraging a



Woolworth store fronts dating back before the "great merger" in 1912 bore the name "F. W. Woolworth & Co." and also advised customers of sales policy: "Nothing Over 10 Cents."



Managers of the Woolworth Stores, 1901

FRONT ROW

left to right

- 1 Mr. W.F. BEVERLY
- 2 Mr. C. B. Norton
- 3 Mrs. A.C. COONS
- 4 Mr. H.T. PARSON
- 5 Mr. C.M. OSBORN
- 6 Mr. C.C. GRISWOLD
- 7 Mr. E.C. WEBB
- 8 Mr. C.P. CASE
- 9 Mr. F.W. WOOLWORTH
- 10 Mr. C.C. PECK
- 11 Mr. B.W. GAGE
- 12 Mr. H.A. MOODY
- 13 Mr. J. STRONGMAN
- 14 Mr. A.E. IVIE
- 15 Miss M.A. CREIGHTON
- 16 Mr. E.J. BRADBURY
- 17 Mr. J.K. BROWNELL

SECOND ROW

left to right

- 1 Mr. H. B. KENYON
- 2 Mr. C.E. HARRINGTON
- 3 Mr. F. CALKINS
- 4 Mr. J.J. BAKER
- 5 Mr. F.E. WARD
- 6 Mr. B.E. FINCH
- 7 Mr. H.E. MOONEY
- 8 Mr. I.A. LEARNED
- 9 Mr. W.H. UPHAM
- 10 Mr. H.B. WOOD
- 11 Mr. F.B. POOLE
- 12 Mr. F.B. CARPENTER
- 13 Mr. C.B. WINSLOW
- 14 Mr. F.I. PECHAM
- 15 Mr. W.T. DULMAGE
- 16 Mr. A. CREIGHTON
- 17 Mr. A.H. SATTERTHWAIT
- 18 Mr. T. SPAFFORD

THIRD ROW

left to right

- 1 Mr. S.F. CULVER
- 2 Mr. T.T. RUSHTON
- 3 Mr. A. ST. JOHN
- 4 Mr. H.W. COWAN
- 5 Mr. W.C. FRIAR
- 6 Mr. E.W. CRUSE
- 7 Mr. F. SPAFFORD
- 8 Mr. T.H. CREIGHTON
- 9 Mr. W.H. MOORE
- 10 Mr. L.N. OSBORN
- 11 Mr. H.L. GRIFFIN
- 12 Mr. B.C. GROMMON
- 13 Mr. R.F. CULVER
- 14 Mr. H.H. ALBRIGHT
- 15 Mr. W.J. SHAW
- 16 Mr. R. ALLEN
- 17 Mr. I.L. TROY
- 18 Mr. J.B. HOLLIS
- 19 Mr. E.L. BENEDICT

TOP ROW

left to right

- 1 Mr. H.H. STILLMAN
- 2 Mr. F. WILLIAMS
- 3 Mr. C. MUNSON
- 4 Mr. A.C. HOLBROOK
- 5 Mr. H.A. BRACEY
- 6 Mr. W. WILLIAMS
- 7 Mr. I.C. GILLETTE
- 8 Mr. M.J. RANKIN
- 9 Mr. G.W. STRONGMAN
- 10 Mr. H.C. HOOVER
- 11 Mr. C.F. GIBBS
- 12 Mr. F.M. WOOLWORTH
- 13 Mr. W.P. DODGE
- 14 Mr. R.D. MILLER
- 15 Mr. E.Z. NUTTING
- 16 Mr. E.J. NAYLOR
- 17 Mr. S.R. BALFOUR
- 18 Mr. E.B. WOOD
- 19 Mr. S.N. CROSBY
- 20 Mr. N.D. TERRILL
- 21 Mr. E.E. ALEXANDER
- 22 Mr. A.W. SATTERTHWAIT

“browsers wanted” policy and bringing merchandise out from under the counters and arranging it so that customers could see and handle everything. Underlying this concept was the philosophy that it was better to make a small profit on many low-priced items than to strive for great profits on a small number of high-priced articles. The fact that Henry Ford and other businessmen emulated this philosophy enabled generations of Americans to enjoy the fruits of this industrial age.

America responded so enthusiastically to his growing syndicate of five and dimes that in 1909 Woolworth decided to make real his old dream of opening a chain of stores in England, a dream that dated back to his first buying trip to Europe in 1890. Against the advice of all his chief lieutenants he began to open what he called British “Three and Sixpence” stores, three and sixpence being the closest equivalent British currency to five cents and ten cents.

These immensely successful stores, now numbering about 1000 have become so familiar in the United Kingdom that many people have adopted them as their own and on visiting American shopping districts have been heard to comment, “Oh, I see our ‘Woolies’ have come over here, too!”

By the end of the nineteenth century Woolworth’s had many retail rivals—friendly and not so friendly! Woolworth’s friendly rivals were Seymour Horace Knox, Fred Morgan Kirby, Charles Sumner Woolworth and Earle Perry Charlton, the first three former Woolworth partner-managers. Their stores, along with Woolworth’s and the two his old employer W. H. Moore owned, were to form the basis for the Frank Woolworth-inspired wedding that was known in 1912 as “the great \$65 million merger.”

Cousin Knox, and Woolworth always considered him the best all-around businessman he knew, brought 108 five and tens in 14 states and Canada to the marriage. Kirby, another Moore & Smith alumnus who was to become a tower of strength to the

company, pledged 84 “green fronts” in 19 states, including the Deep South and Middle West, and Woolworth’s brother “Sum,” a syndicate of 14 five and tens in Pennsylvania, New York and Maine. Finally, Earle Perry Charlton, a former partner of Knox who hailed from Connecticut and was the only one of the six merchants not the son of a northern New York state farmer, contributed the final segment of 48 stores in eight states and Canada. It is said that the original investments of all the participants in this fabulous merger—when they opened their first stores—totalled less than \$10,000.

Together with Frank Woolworth’s 319 red fronts in 27 states, the new coast-to-coast chain by December 31, 1912 totalled 596 stores doing sales of over \$60 million. The multi-million-dollar corporation was named the F. W. Woolworth Co., the ampersand before “Co.” being dropped. Frank Woolworth held a little over 50 percent of the stock of the new company, which he insisted had to bear his name and the color scheme of his stores, while Knox and Kirby had about 15 percent each, Charlton 10 percent and “Sum” Woolworth about five percent.

Through six prestigious underwriters the founders offered to the public \$6 million of \$15 million par value preferred stock and \$7 million of \$50 million par value common stock.

Frank Woolworth was the new firm’s president, with Knox, Kirby, Charlton, brother “Sum” and Peck serving as vice presidents. W. H. Moore was named honorary vice president and the building housing his Watertown store on American Corner, where it all began, was the company’s statutory principal office for about 50 years.

Along with the A & P, Woolworth’s was now one of the two American chain store giants. “Woolworth’s” had become synonymous with five and ten by 1913 and the completion of New York’s fabulous Woolworth Building that year made the name the most recognizable in American retailing.

F. W. Woolworth Co.

Like many ambitious young men, Frank Winfield Woolworth had a dream – to make a great success of a basic idea. Despite several setbacks, his dream became a reality beyond his fondest expectations.

In the course of expanding his “five-and-ten” stores, Woolworth never forgot the men who had worked with him during his clerking days in Watertown, N.Y., or those who had encouraged him in the face of adversity. The merger of F. W. Woolworth & Co. with S. H. Knox & Co., F. M. Kirby & Co., The E. P. Charlton & Co. and the stores individually controlled by C. S. Woolworth, W. H. Moore of Watertown, N. Y., and W. H. Moore & Sons of Schenectady, N. Y., brought together in the management of the new F. W. Woolworth Co. these friendly rivals who had developed successful businesses of their own.

The company’s progress was in no small part due to the enterprise, talent, experience and retailing skills of this management team. From their offices overlooking New York’s City Hall in lower Manhattan, these men guided the destiny of Woolworth in its developing years under the presidency of Frank Woolworth.

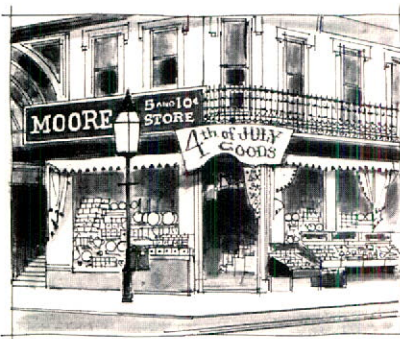
Today, the majestic Woolworth Building at 233 Broadway still houses the offices of those who direct the worldwide operations of Woolworth.



William Harvey Moore 1841-1916

Mr. Moore was the owner of Moore & Smith, Watertown, N.Y. that was the training ground for three of the five co-founders of F. W. Woolworth Co. – Frank W. Woolworth, Charles S. Woolworth and Fred M. Kirby. Moore began his retailing career at the age of 15 and later opened his store at the American Corner of the Public Square. Moore & Smith failed in 1885 but Frank Woolworth, remembering his friend and mentor, loaned W. H. Moore \$2,000 to start another store. The new store opened in the same place in which Moore had started his mercantile career 30 years earlier. Today, the Watertown Woolworth Building is still on this site, and was for many years the statutory principal office of F. W. Woolworth Co. The Woolworth store that was in the building was the successor to Moore’s first retail venture.

In recognition for the loyalty and interest Moore had in him, young Frank Woolworth named his mentor honorary vice president following the merger that made Moore’s Watertown and Schenectady, N.Y. stores part of the F. W. Woolworth Co.

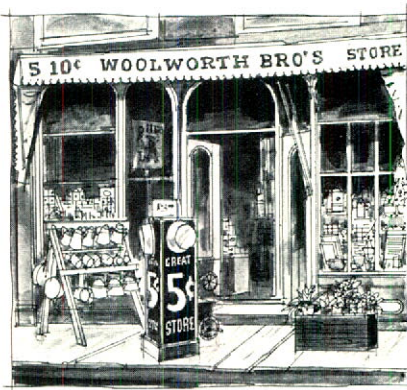


Charles Sumner Woolworth 1856-1947

Like his older brother, C. S. Woolworth embarked on a retailing career after attending local schools, apprenticing first as a clerk for Moore & Smith in Watertown, N.Y.

In 1880 he joined his brother, Frank, in opening the “Great 5 Cent Store” in Harrisburg, Pa., and a second in Scranton, Pa. In 1883 C. S. Woolworth bought out his brother’s interest in the Scranton store and operated it first as a partner with Fred M. Kirby and later as sole owner. He and Kirby also opened the “Woolworth & Kirby” store in Wilkes Barre, Pa. After leaving Kirby, C. S. Woolworth expanded his operations into other areas of the country.

C. S. Woolworth was one of the original directors of F. W. Woolworth Co., as well as a member of the executive committee. Upon the death of his brother, Frank, he became chairman of the board, a post he held for 25 years. C. S. Woolworth served as honorary chairman of the board from 1944 until his death in 1947. He was succeeded on the board of directors by his son, Richard W. Woolworth, who served as a director until March, 1957.





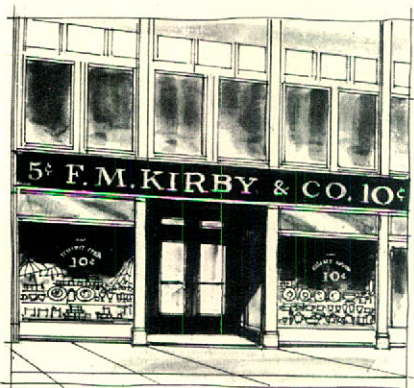
Fred Morgan Kirby 1861-1940

Mr. Kirby began his career much like the two Woolworth brothers. He began his retailing career in 1876 with Moore & Smith – helping with the books when not clerking behind the counter. By August 1884 he was the store's bookkeeper and wholesale manager.

When he resigned to join C. S. Woolworth to start a store in Wilkes Barre, Pa., he was getting the grand sum of \$11 a week. However, with \$500 that he had saved plus \$100 borrowed from his father, Kirby became an equal partner with C. S. Woolworth in 1884. Three years later, he bought out Woolworth's interest in the Wilkes Barre store and began expanding. By 1912, when he merged with Frank Woolworth, Kirby owned 84 "green fronts" in 19 states throughout the East, Deep South and Middle West.

This childhood friend of the Woolworths was a dynamic force in the merged F. W. Woolworth Co. Kirby served as a vice president, a director and a member of the executive committee from January 1, 1912, until his retirement in 1938.

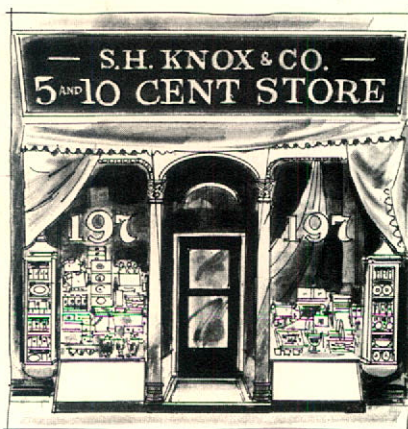
A man of varied interests and philanthropies, and a man of great sincerity and integrity, Fred Kirby died in 1940 and was succeeded as a director of the company by his son, Allan P. Kirby.



Seymour Horace Knox 1861-1915

In August 1884 Mr. Knox paid a visit to his cousin, Frank Woolworth, to discuss investing several hundred dollars he had saved. Frank suggested that he join him in opening a "Woolworth & Knox" store in Reading, Pa. In 1886 Knox sold his interest in this store to A. H. Satterthwait but opened another Woolworth & Knox in Newark, N.J. This store failed and he moved on to Erie, Pa., where he gained his first significant success. Similar successes followed in Lockport and Buffalo, N.Y.

Frank Woolworth sold his interest in these stores to Knox in 1889, whereupon Knox formed a partnership with Earle P. Charlton, which lasted until December 31, 1895. At that time Knox, whom Frank Woolworth always considered the best all-around businessman he knew, built his own retailing organization which eventually became second only to F. W. Woolworth & Co. At the time of the merger that resulted in the new F. W. Woolworth Co., Knox had 108 five-and-ten-cent stores in 14 states and Canada.



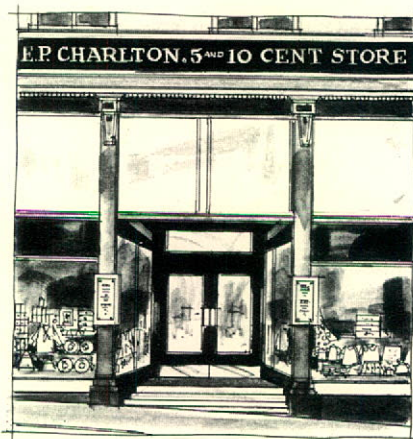
Earle Perry Charlton 1863-1930

At an early age, E. P. Charlton embarked upon a career as a traveling salesman with T. C. Newell and Co., which specialized in household goods. A chance comment to his friend, Seymour H. Knox, about the opportunity for business in New England led to an invitation from Knox to join him in a partnership.

He opened his first store with Knox in Fall River, Mass., in 1890. The partnership was dissolved in 1895. Charlton then began building his own retailing organization. He sold nine of his New England stores to Frank Woolworth in 1899 and with the proceeds moved his retailing operations into the Rocky Mountain and Pacific Coast states, later opening the first stores in Canada's western provinces. However, Fall River remained his headquarters and home city until his death.

With the merger of Charlton's operations into F. W. Woolworth Co. in 1912, the new company became a nationwide organization through the acquisition of the 48 stores Charlton operated in eight states and Canada.

Charlton became a vice president and director of F. W. Woolworth Co. following the merger on Jan. 1, 1912.



\$6,000,000

F. W. Woolworth Co.

Incorporated under the laws of the State of New York

Seven Per Cent. Cumulative Preferred Stock

Preferred as to dividends and as to assets in liquidation.

The whole or any part redeemable at the option of the Company on three months' notice, at 125% and accrued dividends

Dividends Payable Quarterly April, July, October and January

Par Value of Shares \$100

Farmers' Loan & Trust Co., New York, N. Y.
Transfer Agent

Lawyers' Title Insurance & Trust Co., New York, N. Y.
Registrar

CAPITALIZATION

Seven Per Cent. Cumulative Preferred Stock,

Dividend payable quarterly beginning April 1st, 1912:

Authorized and Issued \$15,000,000

Common Stock:

Authorized and Issued \$50,000,000

F. W. Woolworth Co. was organized under the laws of the State of New York to take over as going concerns the following businesses:

- (1) F. W. Woolworth & Co., a New York Corporation.
- (2) S. H. Knox & Co., a New York Corporation.
- (3) F. M. Kirby & Co., a Pennsylvania Corporation.
- (4) The E. P. Charlton & Co., a Connecticut Corporation.
- (5) The five and ten cent store business of C. S. Woolworth.
- (6) The five and ten cent store businesses of W. H. Moore and W. H. Moore & Son.
- (7) The controlling interest in F. W. Woolworth & Co., Ltd., owned by F. W. Woolworth & Co., and now operating 12 stores in England.

The undersigned are in receipt of a letter from Mr. F. W. Woolworth, President of the Company, which is hereto attached, with respect to the purposes of the merger and the history of the businesses of the above-mentioned Companies. The following is the balance sheet and statement of earnings of the Companies included in the merger, which has been furnished us by Messrs. Touche, Niven & Co., Chartered Accountants.

F. W. Woolworth Co.

(Incorporated 15th December 1911.)

Initial Balance Sheet

Introducing Assets and Liabilities, to be taken over as of the date of January 1st, 1912, of F. W. Woolworth & Co., S. H. Knox & Co., F. M. Kirby & Co., The E. P. Charlton & Co., C. S. Woolworth, W. H. Moore and W. H. Moore & Son, and Assets and Liabilities of the Subsidiary Corporations of the four first named Companies.

ASSETS		LIABILITIES	
Leases, Alterations and Improvements, Furniture and Fixtures and Goodwill	\$55,009,387.87	Capital Stock to be Authorized and Issued:	
Real Estate	607,751.15	7% Cumulative Preferred Stock	
Investments:		150,000 Shares of \$100.00 each	\$15,000,000.00
F. W. Woolworth & Co., Ltd., England	\$279,928.41	Common	
Real Estate Mortgage 30,000.00		500,000 Shares of \$100.00 each	50,000,000.00
	309,928.41		\$65,000,000.00
Inventories of Merchandise	8,141,009.75	Purchase Money Mortgages on Real Estate	30,000.00
Supplies and Prepaid Expenses	160,727.30	Sundry Creditors	52,154.68
Sundry Debtors	101,047.43	Reserve for Federal Corporation Tax and Miscellaneous Taxes	75,000.00
Cash in Banks and on Hand	827,302.77		
	\$65,157,154.68		\$65,157,154.68

New York, February 7th, 1912. We certify that the foregoing is a correct statement of the Assets and Liabilities of F. W. Woolworth Co., as the same will appear upon the completion of the organization of the Company.

We have further examined the Accounts of F. W. Woolworth & Co., S. H. Knox & Co., F. M. Kirby & Co., The E. P. Charlton & Co., C. S. Woolworth, W. H. Moore, and W. H. Moore & Son, the undertakings of which F. W. Woolworth Co. is to acquire, for the six calendar years ending December 31st, 1911, and certify that the combined Sales and Profits of the Merged Businesses have been as follows:

	SALES	PROFITS
Year 1906 - - -	\$27,760,664.07	\$2,723,354.22
Year 1907 - - -	32,968,144.84	2,971,118.99
Year 1908 - - -	36,206,674.24	3,617,077.15
Year 1909 - - -	44,438,193.39	4,702,802.23
Year 1910 - - -	50,841,546.98	5,065,031.04
Year 1911 - - -	52,616,123.68	4,955,255.57

(Signed) TOUCHE, NIVEN & Co., New York,
GEORGE A. TOUCHE & Co., London,
Chartered Accountants.

THE LETTER FROM MR. F. W. WOOLWORTH, PRESIDENT, HEREINBEFORE REFERRED TO, WITH RESPECT TO THE PURPOSES OF THE MERGER AND THE HISTORY AND BUSINESS OF THE COMPANY :

New York, N. Y., February 14, 1912.

MESSRS. GOLDMAN, SACHS & CO. AND LEHMAN BROTHERS,
NEW YORK CITY, N. Y. AND
MESSRS. KLEINWORT, SONS & CO.,
LONDON, ENGLAND.

DEAR SIRs:

Referring to the purchase by you of 60,000 shares of the Seven Per Cent. Cumulative Preferred Stock of the F. W. Woolworth Co., incorporated December 15th, 1911, under the laws of the State of New York, I beg to say for myself and as President:

Capitalization

The Company has no mortgage or funded indebtedness, the capitalization being as follows:

7% Cumulative Preferred Stock:

Authorized and issued - - - - - \$15,000,000.

Common Stock,

Authorized and issued - - - - - 50,000,000.

Purpose of
Formation

F. W. Woolworth Co. was formed for the purpose of acquiring the businesses of:

F. W. Woolworth & Co., a New York Corporation.

S. H. Knox & Co., a New York Corporation.

F. M. Kirby & Co., a Pennsylvania Corporation.

The E. P. Charlton & Co., a Connecticut Corporation.

The "5 and 10 Cent" store business of C. S. Woolworth.

The "5 and 10 Cent" store businesses of W. H. Moore and W. H. Moore & Son.

The controlling interest of F. W. Woolworth & Co. in F. W. Woolworth & Co., Ltd., of Great Britain.

These companies have never in any way been competitors in the sale of goods nor has any of them maintained or operated a store in any city or town in which any other of said companies has maintained or operated a store.

History

The businesses acquired have been engaged in the operation of so-called "5 and 10 Cent" stores in different sections of the United States, Canada and England.

This class of business was originally started in Lancaster, Pennsylvania, in 1879, and has steadily grown, until at the present time, the new F. W. Woolworth Co. operates or controls about 558 stores in the United States and 32 stores in Canada, and owns a controlling interest in F. W. Woolworth & Co. Ltd., of Great Britain, operating thus far twelve stores in England.

We employ about 20,000 people and cater to about three million customers a day. Our business is conducted on a strictly cash basis, so that there are no losses entailed by bad accounts. The success of our organization may be attributed to a great buying power and ability to take advantage of all cash discounts, combined with economy in distribution.

The popularity of the business is unquestioned and is evidenced by its remarkable growth, which has been unusually steady and of a healthy character. From its inception the business has grown annually even in the face of occasional panics and hard times.

Sales and
Earnings

The gross sales and net profits of the combined stores for the six years ending Dec. 31st., 1911 have been as follows:

	SALES	PROFITS
Year 1906	\$27,760,664.07	\$2,723,354.22
Year 1907	32,968,144.84	2,971,118.99
Year 1908	36,206,674.24	3,617,077.15
Year 1909	44,438,193.39	4,702,802.23
Year 1910	50,841,546.98	5,065,031.04
Year 1911	52,616,123.68	4,955,255.57

The net profits for the past three years are equal to an average of almost five times the annual dividend on the 7% Cumulative Preferred Stock, or at the rate of over 7 1/2% per annum on the Common Stock.

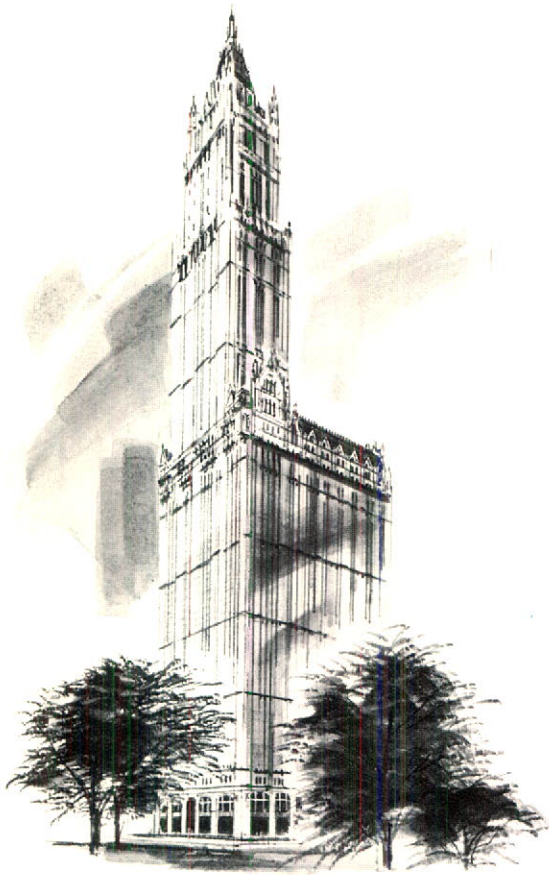
Future
Possibilities

I believe the business is still in its infancy and capable under the new organization of great future development. The management of the new company will include those gentlemen in whose hands the acquired businesses have achieved success in the past. In my judgement, however, the organization of the company has been so perfected as to render the conduct and further development of the business independent of the individuality of any one person.

Yours very truly,

(Signed) F. W. WOOLWORTH.

On the night of April 24, 1913, President Woodrow Wilson pressed a button in the White House and 80,000 lights in the Woolworth Building came to life. This dramatic moment marked the completion, dedication and formal opening of the F. W. Woolworth Building, the tallest building in the world at that time. Just forty years before, the man who created and personally financed its construction – FRANK W. WOOLWORTH – was a struggling young merchant whose principal capital was a new idea of service.



Frank Woolworth had long dreamed of erecting an imposing building bearing his name. Some say the inspiration dates to the time he first gazed on the Victorian Gothic tower of the Parliament Building in London. Woolworth himself once told a reporter for *COMMERCE AND FINANCE*: "After I was making a lot of money as a merchant I wanted to build something bigger than any other merchant had. The Woolworth Building is the result." In any event, Woolworth finally decided that his building would rise above lower Manhattan's Metropolitan Life Insurance Company Tower, then the tallest in the world.

Looking out from his Chambers Street offices in the "Cast Iron Palace," or Stewart Building—itsself a celebrated structure erected by the great merchant Alexander Turney Stewart – Woolworth watched

construction begin at Broadway and Park Place, once rich farmland under the Dutch and later the site of the elegant home of Mayor Philip Hone, a master merchant, politician and prolific diarist of the early 1800s.

From that moment on April 24, 1913 when President Woodrow Wilson pressed a button in the White House to light up the 80,000 bulbs of the Woolworth Building, Frank Woolworth's dream became the most celebrated structure of the era. The Reverend Dr. S. Parkes Cadman, christened the Gothic-inspired building with its lofty lacework towers the "Cathedral of Commerce" and to many that's just what it looked like. "The Eighth Wonder of the World," one newspaper called it, it was "the Great Work of the Age" to a second and "the Skyline Queen" to a third.

"What shall I say of a city that builds the most beautiful cathedral in the world and calls it an office building," observed British statesman Arthur Balfour when he visited America. Said another prominent Britisher, the biologist and essayist, Julian S. Huxley, "It is a fairy story come gigantically and triumphantly to life, and can never be forgotten."

The 60-story "Skyline Queen" was the world's tallest skyscraper at 792 feet, but was proportioned so gracefully by architect Cass Gilbert that it would always be regarded as one of the most majestic buildings in the city of towers. Though it is now only the 14th tallest building in the world, it still aesthetically dwarfs many of the sterile steel boxes that rise above it.

Designed in a U-shape, with every office an outside one, the Woolworth Building's exterior is of cream-colored terra cotta, its entrance an arcade three stories tall. Inside, the floors are of marble terrazzo and marble walls rise to a vaulted dome ceiling studded with glass mosaic. Every detail throughout the building adds to the cathedral-like atmosphere, but it was also one of the most safely engineered buildings of its day.





THE SPEAKERS

F. HOPKINSON SMITH, *Presiding*

FRANK W. WOOLWORTH
"The Architect and the Builder"

CASS GILBERT, *Responding*
"The Architect"

LOUIS J. HOROWITZ, *Responding*
"The Builder"

HON. W. U. HENSEL
"Early Days of Frank W. Woolworth"

WILLIAM WINTER
"The Artist and The Woolworth Building"

PATRICK FRANCIS MURPHY
"Individuality and The Woolworth Building"

The program for the opening of the Woolworth Building in lower Manhattan in 1913 listed an impressive array of speakers, including Frank W. Woolworth.

Boasting its own power plant, it was specially protected against the severest lightning, built to withstand 200-mile-an-hour hurricanes, and had high-speed elevators protected with safety devices like air cushions that made it possible for them to free-fall 54 floors without spilling a drop of water from a test glass.

In all respects the Woolworth Building was a masterpiece and the banquet officially opening it was the happiest night in Frank Woolworth's life. He even enjoyed the small sculptured caricature of himself counting his nickels and dimes that one of the associate architects had fitted under ornate ceiling beams in the Grand Arcade, one of a group of statuettes poking fun at the architect Cass Gilbert, banker Lewis Pierson and contractor-builder Louis Horowitz.

"How is it any man can build a buildin' like that?" an awe-struck charwoman is said to have asked another while leaving a downtown office building after a night of work and viewing the beautiful Woolworth Building gleaming against the midnight sky. "Tis easy explained," answered her compatriot, "your ten cents and my ten cents." This was true and Frank Woolworth never lost sight of that fact.

As close as he was to the common man, however, he loved the good life, especially music and good food. His office inside the Woolworth Building was a replica of the Empire Room of Napoleon Bonaparte's palace in Compiègne, down to the last detail, except that Napoleon had mere wooden panels in his room while Woolworth's were of the finest marble. Frank Woolworth liked to think he shared some of the characteristics of the Corsican corporal, a life-size bust of whom stared at visitors from beside his desk and whose large oil portrait hung on the west wall.

Amid all the superlatives about the building itself, too myriad to catalog here, perhaps the most noteworthy was that it was built under the highest

HUBERT T. PARSON (1872-1940), who was F. W. Woolworth's first bookkeeper in 1892, became president of F. W. Woolworth Co. following the death of the company's founder in 1919. Earlier he had been a director and secretary-treasurer of F. W. Woolworth & Co.



standards of safety; without the loss of life, and without a single dollar's indebtedness. Frank Woolworth paid \$13.5 million in cash, unique in the history of great buildings in America or anywhere else for that matter.

Seated in his Empire Room, Frank Woolworth, the farm boy who had liked to play "store," was certainly America's "Napoleon of Commerce" at the time. His 30 room, white marble mansion on Fifth Avenue's Millionaire's Row, with its superb organ, a wonder of its time, and luxurious appointments, wasn't bad to go home to either. Nor was Winfield Hall, the 62 room, white marble Italian Renaissance mansion that Cass Gilbert was to build for him on 16½ acres overlooking Long Island Sound.

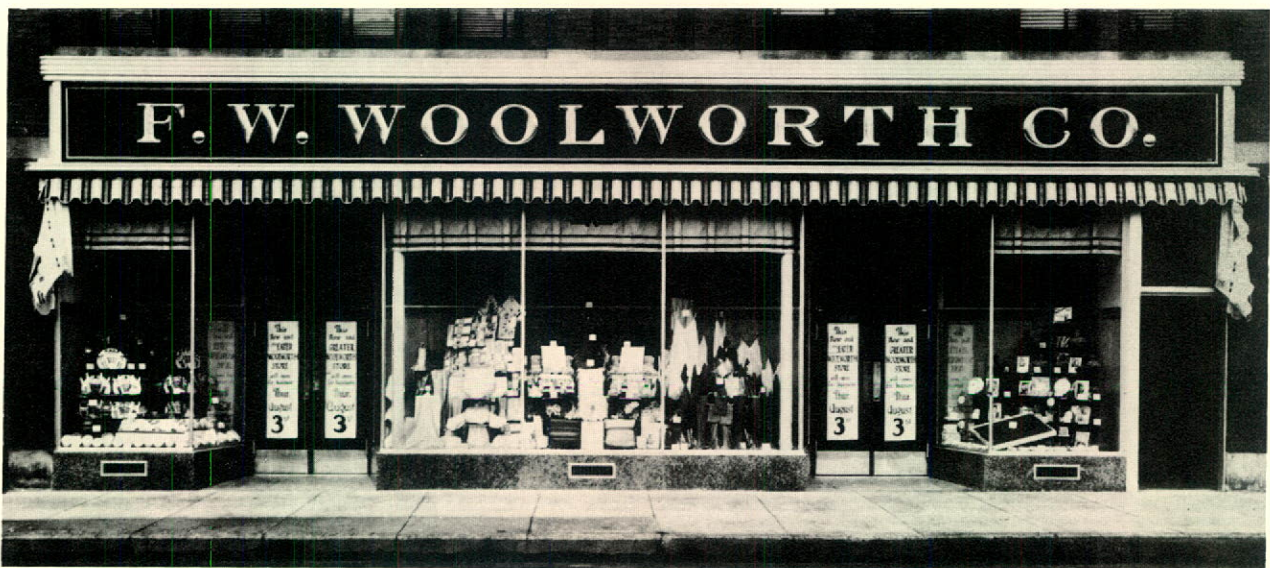
Despite his multi-million dollar business and marble mansions, Frank Woolworth's last years were unhappy ones. Carson Peck, the corporation's general manager and vice president, and his right hand man for 25 years, had passed away in 1915 and

Woolworth had to reassume his executive duties and lead the company through the difficult days of World War I.

His personal life was beset with tragedies, illness continued to plague both him and his wife, and on April 8, 1919 Frank Woolworth died at Winfield Hall, just five days short of his 67th birthday. After services in his Fifth Avenue mansion, he was buried in beautiful Woodlawn Cemetery in Bronx, New York. Nearby is the grave of another great merchant, R. H. Macy.

One of the great honors accorded Frank Woolworth came when rival Sebastian Kresge closed all his stores during the hour of Woolworth's funeral. On the day after his death the NEW YORK SUN observed, "He won a fortune, not showing how little could be sold for much, but how much could be sold for little."

Among the greatest of merchant princes, the founder later became one of the first four merchants elected to the Retailing Hall of Fame in Joseph P.



"Red fronts" with gold lettering were a trademark of Woolworth stores throughout the United States until 1969 when modern blue and white signs were introduced on all new stores.



BYRON D. MILLER (1875-1960), a "learner" in 1897 in Woolworth's first Brooklyn store, became the company's third president in 1932. Frank W. Woolworth picked Miller as one of three men to go to England to launch F. W. Woolworth & Co., Limited, of which he was director from its inception.



CHARLES W. DEYO (1880-1952), the fourth president and second chairman of the board, was the first man in the company's history to hold both positions. At one-time he was an assistant stockman in S. H. Knox's London, Ontario store.

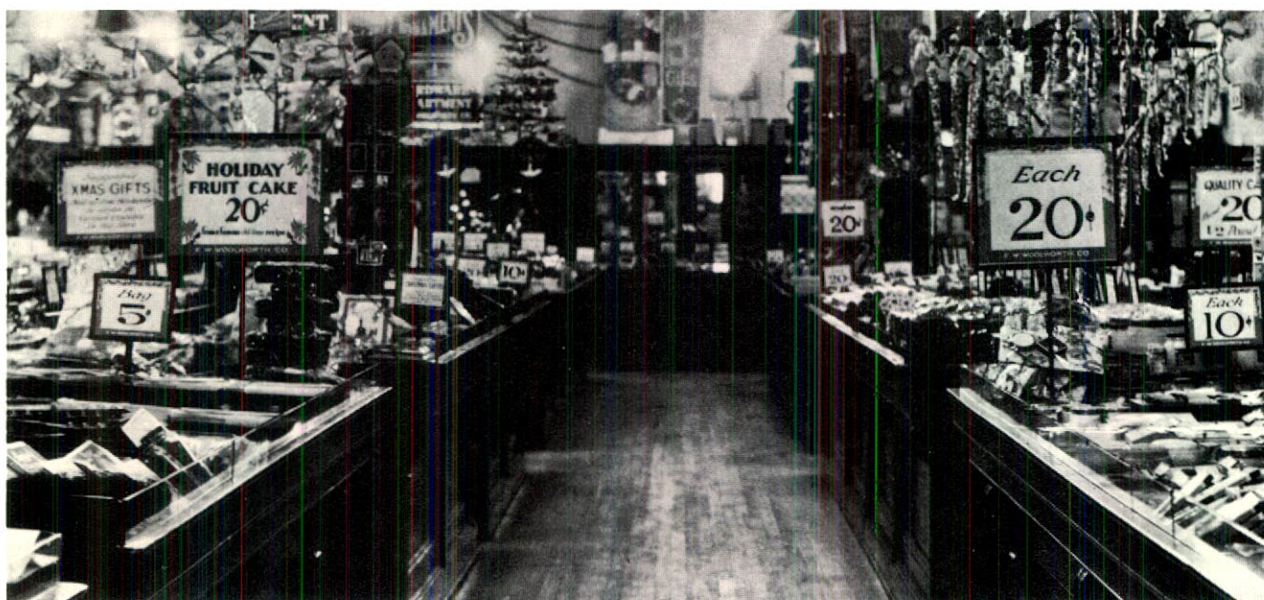
Kennedy's Chicago Merchandise Mart when it opened in 1953. His august company consisted of department store giants, Marshall Field and John Wanamaker, and A & P founder George Huntington Hartford. Calling the F. W. Woolworth Co. "a household word internationally," Frank Woolworth's Hall of Fame citation noted that he had "created a new theory of merchandising importantly improving American living standards."

At the time of Frank Woolworth's death in 1919 the F. W. Woolworth Co. included 1,000 stores in all of the 48 states and Canada, with sales of over \$100 million, and some 50 more in Great Britain. Almost all of the 22 million families in the United States browsed and bought things for nickels and dimes. That same year six hundred thousand babies in America wore 10 cent gold-filled rings purchased in Woolworths. The stores sold 10 million packages of chewing gum, 26,000 tons of candy, 100 million postcards, 25 million toys, 15 million bars of

soap—one could go on for pages about Woolworth's carnival of counters. What the bazaar was to the Middle East, Woolworth's was to America.

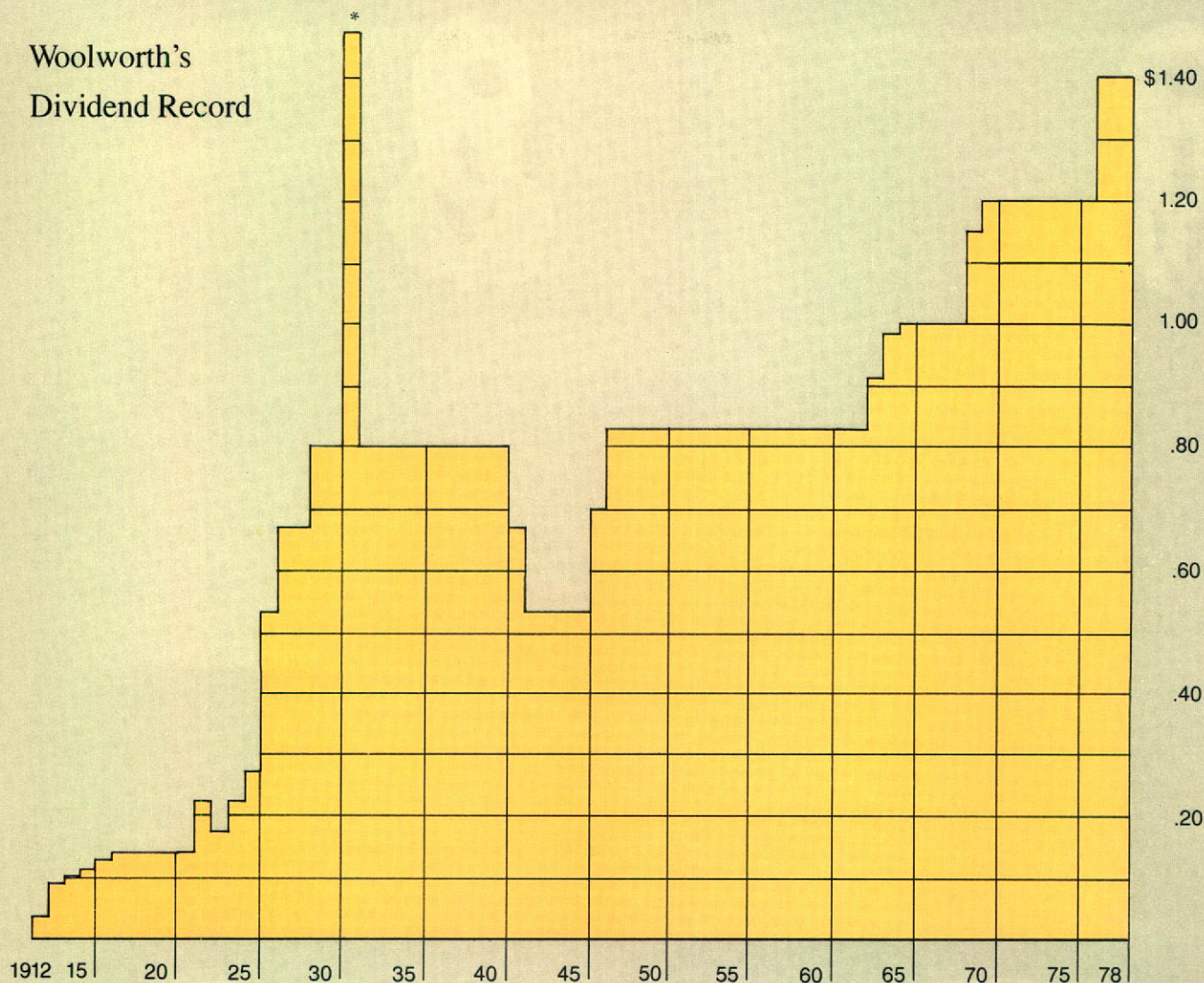
The Woolworth Company was guided through the golden years of the 1920s by president Hubert Templeton Parson, who had started out as Woolworth's first bookkeeper, with Frank's brother "Sum" serving as chairman of the board, a new position. During this period, Woolworth opened stores in Cuba (1924) and Germany (1926), celebrating its golden anniversary in 1929 with 1,825 stores and \$303 million in sales of five and ten cent merchandise!

America's greatest nickel and dime romance didn't end until 1932, the year that Byron De Witt Miller, an important figure in building British Woolworth, succeeded Hubert Parson as president. At that time the board of directors voted that items could be sold for twenty cents. Woolworth had held out far longer than any other five and ten cent chain,



America's greatest nickel and dime romance ended in 1932 when company's board of directors voted that items in Woolworth stores could be sold for 20 cents for the first time. Move was made to assure a wider range of values for customers.

Woolworth's Dividend Record



Woolworth has never missed a quarterly dividend payment since initiating cash dividends shortly after selling shares to the public in 1912. Early this year Woolworth mailed to common shareholders the 267th consecutive quarterly cash payment.

Adjusted for all common stock splits and stock dividends, a purchaser of 100 common shares at the initial offering price of 55 would now own 5,850 common shares. Those shares would have a total market value of upwards of \$115,000 compared to a \$5,500 cost price.

Adjusted for all common stock distributions, the cash dividend has grown from \$.034 per share in 1912 to \$1.40 today, an increase of 4000%!

A shareholder who purchased 100 common shares in 1912 would have received, as of early 1979, a total of \$283,163 in cash dividends over a 68 year period on his \$5,500 investment.

The company has increased its total common stock dividend payments from \$100,000 in 1912 to almost \$41 million last year.

Over the past 68 years Woolworth has paid a total of more than \$1.4 billion in common stock dividends, an amount which exceeded total annual sales until 1965.

*Includes 0.667 extra dividend



ALFRED L. CORNWELL (1884-1968), another Woolworth store "learner," began his career in Worcester, Mass., and rose through the ranks to president in 1946 and chairman of the board five years later. His administration was marked by the greatest growth in the company's history to that period.



JAMES T. LEFTWICH, who served as Woolworth's president (1954-58) and chairman of the board (1956-59), initiated the company's move from strictly a variety store operation to a multi-faceted retailer.

but had to make the move to give the company greater purchasing leeway to assure a wider range of values for its customers.

In 1935, under Charles W. Deyo, a one-time trainee in a Knox store who succeeded Miller, it became firm policy that there would no longer be any arbitrary price limit in Woolworth stores.

Under President Deyo, Woolworth came through the Great Depression unscathed, never failing to pay a dividend throughout the entire period. Deyo was so successful that the directors waived the compulsory retirement rule for him and he led the firm through the World War II years, from which it emerged in 1945 with \$477 million in annual sales.

Alfred Cornwell, who had started as a "Learner" in the Worcester, Massachusetts, store, succeeded Deyo as president in 1946. He led Woolworth until its Diamond Anniversary in 1954. By that time Woolworth had 2,850 stores in several countries,

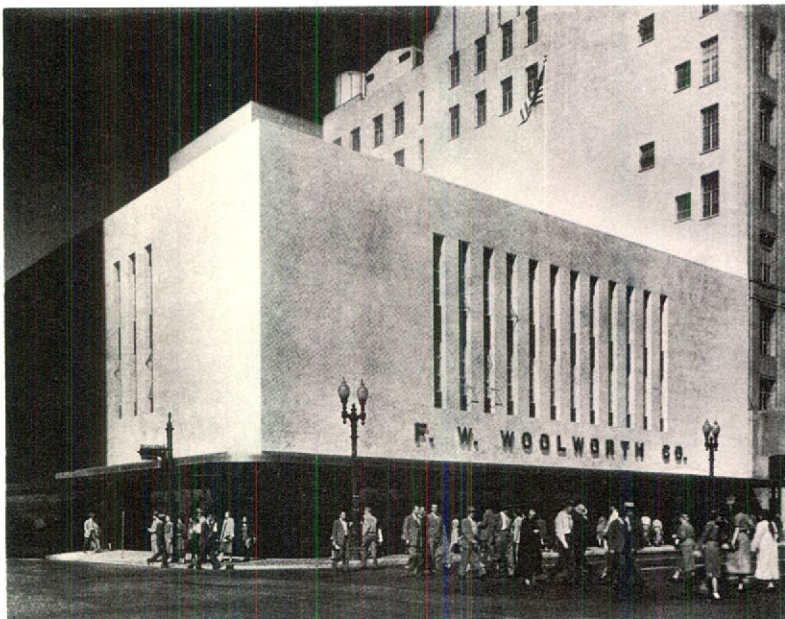
which were doing \$700 million in annual sales. In that year the presidency passed to James T. Leftwich, another former company bookkeeper, who headed the firm for the next five years.

Under Leftwich the company continued to expand its operations and change with the times. An expansion and modernization program was financed with \$110 million in loans.

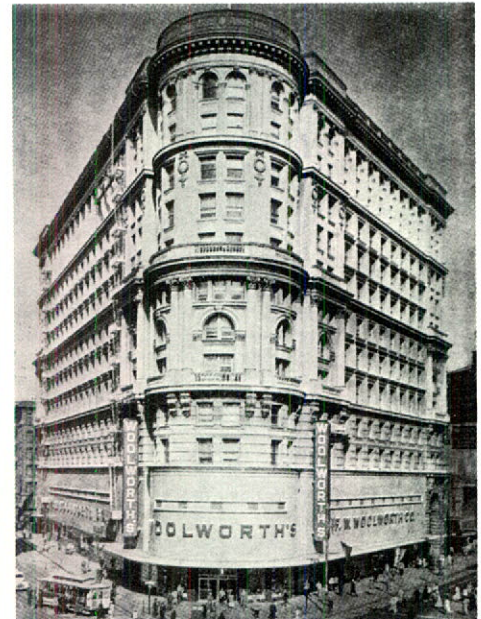
During the 1950s, about the time of Woolworth's 75th anniversary, Woolworth moved away from being strictly a variety store operation in order to cope with the revolutionary changes taking place in the world of retailing.

The widespread introduction of self-service stores and the rapid construction of sprawling suburban shopping centers radically changed the shopping habits of the American consumer.

Leftwich, president from 1954-58 and chairman of the board (1956-59), was the first to sense these



Rapid expansion of Houston, Texas in the post World War II period resulted in the opening of this major Woolworth store in the city's downtown business area.



This San Francisco, Calif. store is opposite the cable car station and adjacent to Bay Area subway station.



ROBERT C. KIRKWOOD, who headed Woolworth as president (1958-64) and chairman of the board (1965-69), proved to be a vibrant force in guiding the company through its greatest decade of growth. During his tenure the first Woolco stores were opened and two major subsidiaries – Kinney and Richman – were acquired.

changes. Then Robert C. Kirkwood, who headed the company as president from 1958-64 and from 1965-69 as chairman of the board, guided Woolworth through its greatest decade of growth, proving to be a vibrant force.

During this period of expansion and modernization, merchandise display areas were greatly increased and self service became a “way of life” in modern Woolworth stores. Woolworth moved quickly into shopping centers throughout the U.S. and Canada with lines of merchandise tailored to fit the needs of a new type of consumers.

“Newness” also was evident in merchandising methods, systems of distribution and control, accounting procedures and personnel policies.

Woolworth expanded its operations into Mexico in 1956, opening two stores in Mexico City offering 97 percent Mexican-produced merchandise. Expansion continued the following year with a move into

Puerto Rico and the opening of Woolworth stores in 89 more shopping center locations in the U.S. The same year the first Harvest House restaurants were opened in Florida and Canada. During a five-year period ending in 1959, 488 new stores were opened and another 512 were improved or renovated. The new stores were 50 percent larger, almost all were self service, and most were in shopping centers.

The start of the 1960s saw consolidated sales top \$1 billion, with sales of the German and Mexican companies consolidated with F. W. Woolworth Co.

To capitalize on a world-wide retailing trend Woolworth opened its first seven Woolco stores in the U.S. and Canada in 1962. A chain of mass-merchandise, low-margin, high-quality stores, the Woolco stores offered services of a full-line department store. Some 40,000 people overflowed the first Woolco opened in Columbus, Ohio, a harbinger of a successful operation that would expand



When Kinney Shoe Corporation became part of the Woolworth Company in 1963, a number of its 584 stores in 45 states and the District of Columbia were located along major highways.



LESTER A. BURCHAM, Woolworth's president (1965-69) and chairman of the board (1970-77), was responsible for the merger of Woolco and Woolworth stores into a new U.S. Woolworth and Woolco Division in the early 1970s.



to almost 400 units by the company's 100th anniversary year.

Kirkwood led Woolworth into another major phase of expansion in 1963 with the formation of the Kinney Shoe Corporation. This wholly owned Woolworth subsidiary was set up to acquire G. R. Kinney Corporation, the largest popular-priced, family shoe chain in the U.S.

The acquisition involved 5,000 employees, 584 stores in 45 states and the District of Columbia, and five factories. Kinney's operations have expanded

Left: Woolworth acquired 276 Richman men's apparel stores and leased departments in 1969, climaxing a decade of unprecedented growth.

Lower left: Company expanded into the restaurant field in 1964 with the opening of Harvest House cafeterias, restaurants and coffee shops, most of them located in shopping centers.

Below: The first seven Woolco stores were opened in 1962. There are now close to 400 Woolcos in the United States, Canada and Great Britain.



JOHN S. ROBERTS was Woolworth's president (1970-74) and vice-chairman of the board of directors (1975-77). He teamed with Burcham as sales topped \$3 billion in 1972 and \$4 billion just two years later.



four-fold since. The subsidiary now has stores in Canada and Australia and has branched into sportswear and athletic apparel with its rapidly expanding Susie's Casuals and Footlocker units.

Kirkwood was elected chairman of the board and chief executive officer in 1965 and Lester A. Burcham became president. Under their joint leadership Woolworth stores were enlarged with upgraded merchandise; operations expanded into Spain and Japan (with the opening of a buying office in Tokyo) in 1965, and the number of Woolco stores increased rapidly with the first opened in England in 1967.

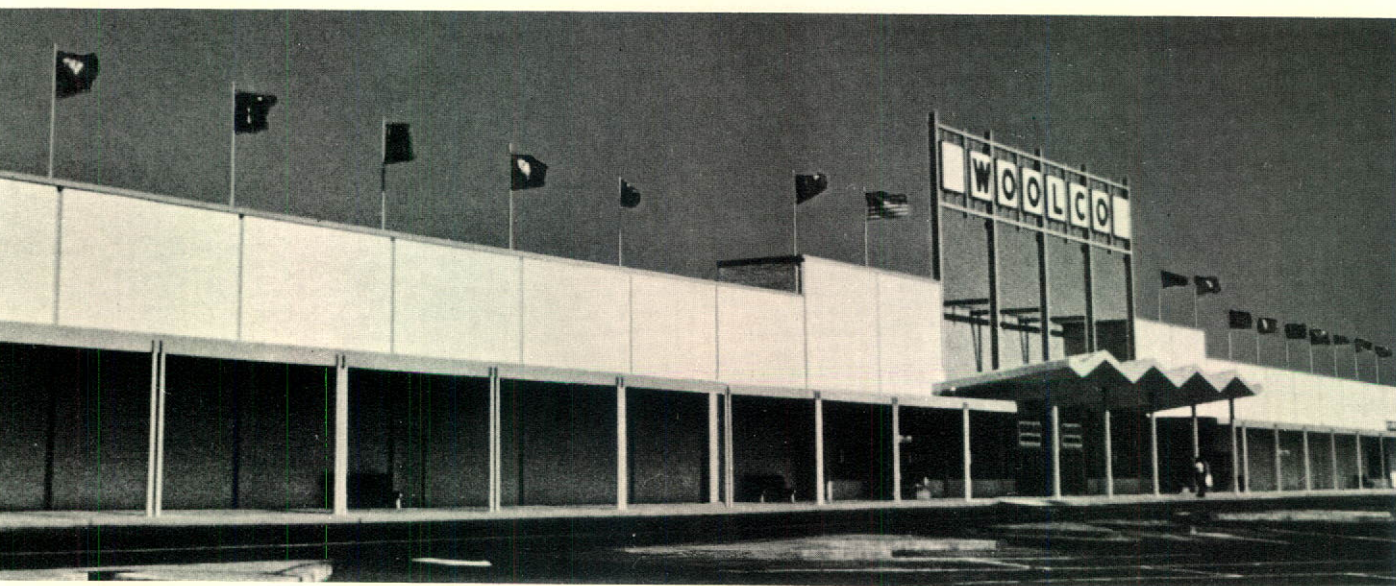
With expanded store selling space, increased merchandise assortments and greater emphasis on advertising, Woolworth topped \$2 billion in sales in 1968.

The company's 90th anniversary year completed a decade of unprecedented growth under Kirkwood and Burcham by expansion, development and acquisition. The Richman Brothers Company, a leading manufacturer-retailer in the men's apparel industry, was a major acquisition in 1969. The

purchase included 276 stores and leased departments. Woolco stores enjoyed their greatest single year of expansion with the opening of 33 units in the U.S. and Canada.

When Kirkwood retired in 1969, he was hailed by the board of directors "for leading Woolworth in its period of greatest growth and change... he personifies modern Woolworth." Burcham became chairman of the board, with John S. Roberts the new president.

As part of the 90th anniversary celebration, a modern blue logotype replaced the traditional red promotional and storefront signs, and Woolworth surpassed 5,000 retail units for the first time.





EDWARD F. GIBBONS became company's first non-career Woolworth man to be elected president in 1975. He was elevated to chairman of the board in 1978 and will guide Woolworth into its second century.



W. ROBERT HARRIS became first president of U.S. Woolworth and Woolco Division in 1975 and company's 11th president in 1978. Harris also has distinction of being Woolworth's first chief operating officer.

In the early 1970s, under Burcham's leadership, and spearheaded by then executive vice-president W. R. Harris, the growing number of Woolco stores was consolidated with the Woolworth stores into a new U.S. Woolworth and Woolco Division. The merger enhanced merchandising and promotional opportunities, while effecting considerable economies. Originally the Woolworth operations were separate entities with considerable regional control and Woolco was centralized and operated from the Executive Office in New York. Increased incorporation of technologies and equipment in the areas of accounting, inventory control, warehousing and distribution also sharpened the overall operations.

Sales topped \$3 billion in 1972, reflecting a billion-dollar increase in just four years. Within two years sales surpassed \$4 billion, with higher sales in all divisions and subsidiaries.

With the election of Edward F. Gibbons as president in 1975, the company had its first non-career Woolworth man as president. Roberts became vice-chairman of the board and W. Robert Harris was named the first president of U.S. Woolworth and Woolco Division.

Sales went over \$5 billion in 1976, with consolidated earnings surpassing one million dollars for first time. Consolidation of the Woolworth and Woolco stores' operations was credited for dramatic improvements in sales and profits.

Woolworth lost two of its top executives in

1977 with the retirement of Burcham and Roberts. Gibbons was elected chairman of the board and chief executive officer, with Harris becoming Woolworth's 11th president and first chief operating officer.

Gibbons and Harris are charged with the responsibility of guiding the Woolworth company as it starts its second century in retailing. As the company completes its first 100 years, consolidated sales have soared above the \$6 billion level. Woolworth expects to surpass \$1 billion in sales during December, 1979.

The Woolworth company today operates in all 50 states in the U.S., Puerto Rico, the U.S. Virgin Islands, Canada, Germany, Mexico, Spain, Australia, Great Britain, Eire and the Caribbean Islands, far surpassing the most visionary aspirations of its founder. In place of a handful of people in a single, small emporium in Lancaster, Pa., the company is a multi-national, multi-billion dollar business operating retail units under a variety of trade names, and employing some 200,000 people, many of them with decades of service.

* * *

One can't help wondering what the founder would think, if he could see this multi-billion dollar business which has evolved from his decision to sell "Yankee Notions" for five cents. Certainly he would approve, quite probably he would smile and applaud at what his "5 and 10s" have become.

F. W. Woolworth Co. Today – and Tomorrow

The following pages describe the company
as it moves into its second century –
an international retailing complex
with 5787 retail stores and leased departments
operating under the names

WOOLWORTH

WOOLCO

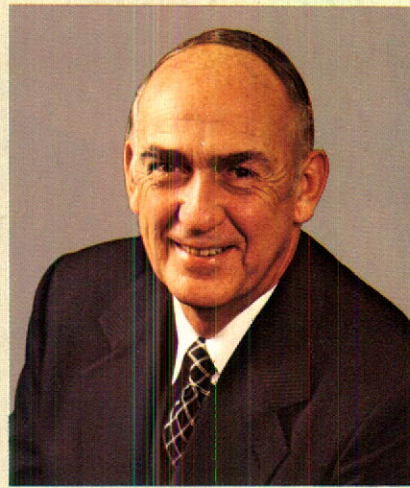
KINNEY (Susie's Casuals, Foot Locker, Mankind, Fredelle and Williams)

RICHMAN (Anderson-Little)

in the United States, Puerto Rico,
U.S. Virgin Islands, Canada, Germany, Mexico,
Spain, Australia, Great Britain,
Eire and the Caribbean Islands.



EDWARD F. GIBBONS
Chairman of the Board
and Chief Executive Officer



W. ROBERT HARRIS
President
and Chief Operating Officer

Corporate Officers



JOHN W. LYNN
Senior Executive
Vice-President



RICHARD L. ANDERSON
Senior Executive
Vice-President

Photos of other
corporate officers
appear on pages 38-47.



ELLIS W. SMITH
Senior Vice-President
- Finance



JOHN P. LONG
Senior Vice-President
- Corporate Personnel



HERBERT H. EAMES, JR.
Vice-President
and Controller



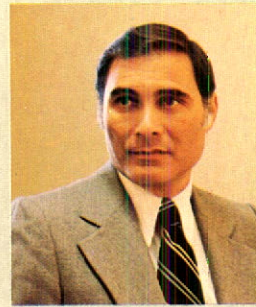
HUBERT P. SMITH
Vice-President
- Public Affairs



HAROLD R. HISER, JR.
Vice-President
and Treasurer



ROY L. GAROFALO
Vice-President
- Investor Relations



ARNOLD S. ANDERSON
Vice-President
and General Counsel



ROBERT C. HELLER
Secretary
and Assistant Treasurer

Refer to complete list of directors and officers on pages 54-55.

Corporate Office

The corporate office has a wide range of responsibilities, among which is the establishment of all corporate policies required in the overall management of the business. Within this framework, the corporate staff establishes overall objectives and approves the strategic plans of all operating divisions and subsidiaries, allocating the capital required to implement these plans and approving and monitoring the action programs required by the plans. It provides services that would be uneconomical to maintain at the divisional or subsidiary level, as well as those services deemed necessary to insure uniformity among the divisions or subsidiaries, where uniformity is desirable.

The corporate staff sets standards for overall return on investment, earnings growth and business conduct. It establishes criteria for investment, debt and borrowing for the company as a whole, and for the individual divisions and subsidiaries. It monitors and measures levels of performance and approves the systems which reward such performance.

Further responsibilities are: the institution and monitoring of uniform accounting practices by type of business; the establishment of internal control and monitoring conformity; the consolidation of

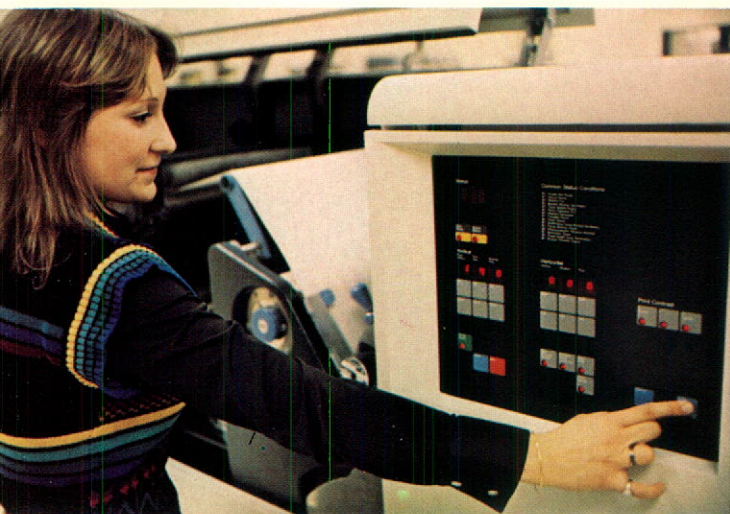
operating results and their prompt disclosure, when required; divisional and subsidiary dividend policies; tax policies and planning and public releases made by F. W. Woolworth Co. The corporate staff is responsible for relationships with shareholders.

Fiscal policy for the worldwide operations, divisional and subsidiary, emanates from corporate headquarters, under the direction of Ellis W. Smith, senior vice-president for finance. Under his direction the vice-presidents for control, treasury and investor relations, and the director of taxes and the general auditor, help establish and administer policies within their areas. However, within corporate policies, the responsibility for day-to-day fiscal operations and controllership rests with each division or subsidiary.

In addition to short- and long-range financial planning and supervision of fiscal policy, Smith has responsibility for corporate financing, filings required by the Securities and Exchange Commission and other financial and government agencies, all financial communications and reporting, internal control standards, tax planning and compliance, management information systems, and foreign exchange generated by operations abroad.

Data processing equipment of Central Accounting Office in Milwaukee, Wisconsin is the nerve-center for fiscal operations.

Highly sophisticated computers play an integral role in providing the data for the company's management information systems.



Corporate Officers
—continued

JOHN L. SULLIVAN, President
U.S. Woolworth and Woolco Division
and Corporate Executive Vice-President

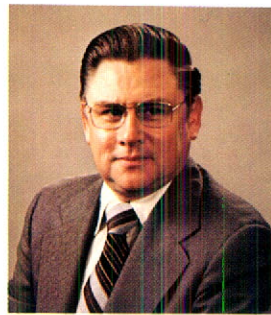
GEORGE W. NELSON, General Manager
U.S. Woolworth and Woolco Division
and Corporate Senior Vice-President

U.S. Woolworth and Woolco Division

Frank W. Woolworth would scarcely recognize the modern retailing complex that has emerged from his basic retailing complex. Today's Woolworth and Woolco stores are giants by comparison to his first 14 by 35 foot Lancaster, Pa. "five and ten." Many of the company's stores exceed 100,000 square feet.

Despite the changes that have occurred since he guided the destiny of F. W. Woolworth Co. in its early days, Frank Woolworth's idea of giving customers the most for their money is still the keystone in today's successful retailing operation. It is this basic philosophy that has made the U.S. Woolworth and Woolco Division the largest sales producer in this multinational operation.

"Last year's record sales of \$3,243,000,000 and the continued growth of the division through the years, are directly related to three key components of the company's business: merchandising, sales promotion and distribution," said John L. Sullivan, pres-



ident of the U.S. Woolworth and Woolco Division.

"Woolco's posture in discounting is to offer customers a broad assortment of quality merchandise, including national brands, at a reasonable price," George W. Nelson, corporate senior vice-president and general manager of the division, explained. *"Basically Woolco has stayed with national brands along with some private label merchandise, to provide a more complete mix of merchandise than its competitors. Woolco has stayed with nationally branded merchandise to enable customers to readily identify goods and compare prices. This is particularly important in a discount store operation."*

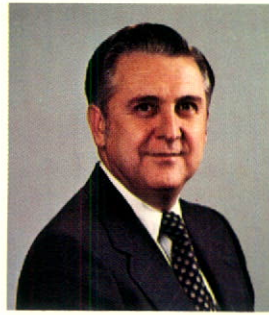
Much of the division's merchandising effort is being directed towards obtaining a larger share of

Modern Woolworth store in Park City Shopping Center on outskirts of Lancaster, Pa., is in sharp contrast to first successful Woolworth store opened in 1879.



CHARLES L. KLINE
Corporate Vice-President
Merchandising

ERNEST W. KAUFFMAN
Corporate Vice-President
Sales Promotion and Advertising



the young married market. It is also developing its newly created sports-related wearing apparel departments to take advantage of a growing recreational market.

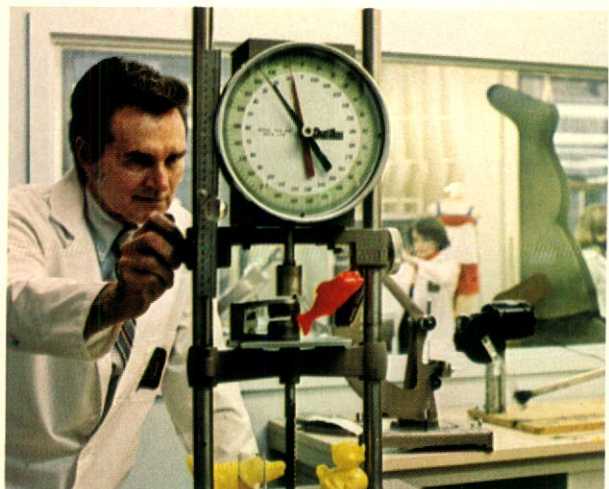
Long before products find a place in the company's national network of stores, however, they are thoroughly tested in the company's Quality Assurance Laboratory. There trained technicians check new products, recheck products on which changes or modifications have been made by the manufacturer, screen for compliance with federal standards and investigate products involved in customer complaints.

In the Quality Assurance Laboratory fabrics and apparel are tested for durability, color fastness, flammability and stretch characteristics, among

Eye-catching ladies' fashions and sportswear have become one of top-selling items in Woolco stores and larger Woolworth stores in the United States.

To increase productivity and utilization of selling space, cube-type displays are being used to reduce overall size of new and existing Woolco and Woolworth stores.

Before toys are offered for sale they are thoroughly tested for safety hazards in company's Quality Assurance Laboratory. Trained technicians also conduct tests on a variety of other merchandise.



LESTER D. HEWELL
Corporate Senior Vice-President
Store Operations and Administration

HAROLD E. SELLS
Corporate Vice-President
Store Development



others. Toys get a thorough check from a safety standpoint, electrical appliances are checked for shock hazards, hi-fis for tonal quality, and paints for weather degradation. Behind such testing is Woolworth's resolve that its customers find satisfaction with the products purchased from Woolworth and Woolco stores. It's the company's way of keeping customers coming back.

An important adjunct to the merchandising effort is the division's distribution system which sustains the flow of merchandise from manufacturer to the store. Five distribution centers are programmed to service stores throughout the United States, Puerto Rico and the U.S. Virgin Islands. These centers are located in Junction City, Kans., Denver, Pa., Greenville, S.C., Chicago and San Francisco to serve the company's six regions.

Each of these distribution centers carries inventories of more than 13,000 items, sufficient to meet the requirements of approximately 600 Woolworth and Woolco stores. Computers with a memory bank of 50,000 merchandise locations, together with electronically controlled sorters and chain-propelled carts, receive, transport, store, select and consolidate shipments of thousands of tons of merchandise annually to the stores. The vast capacities of these centers enables the division to purchase massive quantities of merchandise which ultimately benefits Woolworth and Woolco customers. Scheduled weekly deliveries by the company's leased motor fleet enable stores to maintain full stocks while reducing handling costs and the need to carry large inventories.

Modern logo of Woolco stores typifies new exterior and interior "look" of units being clustered in 37 major metropolitan market areas throughout the U.S.

Woolco customers like the concept of one-stop shopping for all of the family's needs in units designed to make Woolco everyone's "favorite store."



WILLIAM G. BAKER, JR.
Corporate Vice-President
Expense and Security



AUBREY C. LEWIS
Vice-President Administrative
Services and Corporate
Assistant Vice-President



DAVID E. CHENAULT
Corporate Vice-President
Personnel

"Future growth of the division will be largely through its Woolco stores that are being 'clustered' in major markets," Nelson said. "This enables Woolco to effect substantial savings in both distribution and advertising."

Woolco is operating in 45 major metropolitan markets and it is in these that future major expansion will take place as the division seeks a dominant position. Over the next five years approximately 135 Woolco stores will be added in these markets, most of them in the Sunbelt states.

"The do-it-yourself trend that has become popular has fostered the incorporation of home improvement centers in many Woolco stores. These have proven very successful and will be expanded in nearly all Woolco stores as well as a number of larger Woolworth stores," Sullivan, division president, commented.

Another rapidly developing operation is the Woolworth Garden Centers, now concentrated mainly in the San Jose-San Francisco, California area. *"These attractive, free-standing centers,*

located on about 2½ acres with indoor and outdoor retailing facilities, will be opened throughout California and in the Sunbelt where weather conditions permit year-round operation," Sullivan predicted. The garden centers, which are managed by trained agronomists, offer customers everything from gardening advice to horticultural products and related items. There are 12 garden centers operating at present with over 50 planned for the next three years.

Woolworth stores will be opened primarily in regional shopping centers and in the mini-centers of smaller cities at the rate of approximately 15 a year. However, the major thrust will be through the Woolco stores, Nelson stated.

As competition within retailing continues to accelerate, the division's merchandising, advertising and service efforts are geared to meet the challenges of the century ahead as well as the immediate and ever changing demands of the present.

Sporting goods departments, aimed at ever-increasing demand among U.S. customers for leisure-time equipment, are expanding rapidly.



Carpeting and rugs of all sizes are available to Woolco customers in the U.S., as well as in many of the new enlarged Woolworth stores.



LOUIS W. PAYNTER
Corporate Vice-President
Restaurant Operations



Food Service Operations

"Approximately 1,900 food retailing operations in Woolworth and Woolco stores across the U.S. serve over a million customers a day in settings ranging from stand-up snack bars to cafeterias and coffee shops with waitress service," said Louis W. Paynter.

"Woolworth's restaurant operations span the spectrum of customer preferences," Paynter pointed out. "Our coffee shops attract the office worker and day-time shopper; our fast food operation appeals to the younger generation, and our cafeterias are very popular with families."

Today's food service operation is a far cry from that of 1911 when Woolworth stores began selling hot dogs and root beer drawn from a huge oak barrel atop the counter. As the number of stores grew, so did the food operations.

During recent years the company's food service has diversified with emphasis on larger units, in waitress and self-service modes, that offer an expanded menu selection.

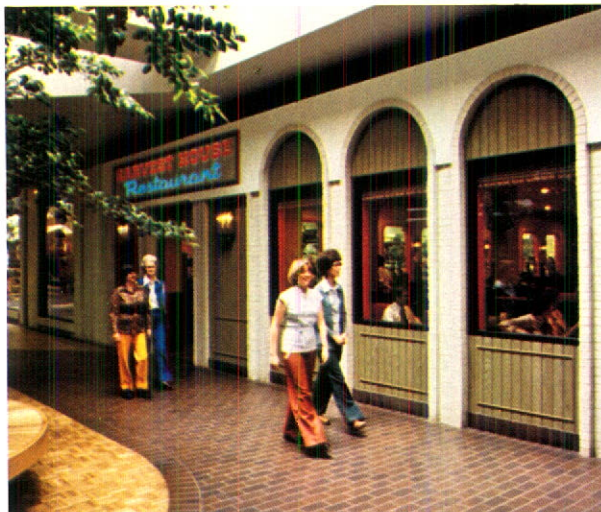
Due to the opening of more Woolco stores in re-

cent years, this has resulted in the Red Grille cafeterias becoming the restaurant division's fastest growing food service operation. This concept is popular due to the excellent selection of food at reasonable prices.

A new simplified soup-salad-sandwich concept is being developed for stores in high density areas like Philadelphia and New York. This concept will be introduced and expanded in late 1979 and 1980.

In every type of Woolworth food service facility, quality and price are important considerations. A special test kitchen for the food service operations in New York City develops and tests new recipes; sets guidelines for the purchase of basic food supplies, and works out appetizing, nutritious menu items. It has developed 12 different types of menus, taking into consideration the regional tastes of customers in Puerto Rico, the U.S. Virgin Islands, Alaska and Hawaii, as well as the mainland U.S.

Woolworth operates food units, ranging from fast-food outlets like Harvest House Jr. to cafeterias, coffee shops and Woolco Red Grilles.



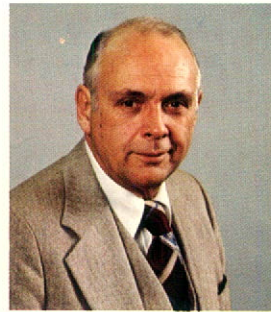
Appetizing food specialties, developed and pre-tested in our test kitchen in New York, are served to over one million persons daily.



JOHN W. LARGENT
Vice-President-Distribution and
Traffic and Corporate Assistant
Vice-President

GEORGE W. RAMSEY
Vice-President-Finance of
U.S. Division and Corpo-
rate Assistant Treasurer

JACQUELINE D. DELAFUENTE
Corporate Assistant Secretary



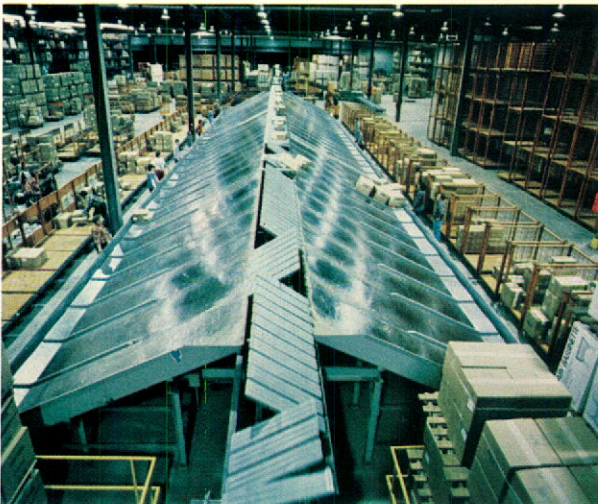
Distribution

Woolworth's network of distribution centers, in key geographic areas of the U.S., serve as support systems for Woolworth and Woolco stores.

An endless supply of general merchandise flows from these extensively automated centers located in Denver, Pa., Chicago, Ill., Greenville, S.C., San Francisco, Calif., and Junction City, Kans. A computer network links the distribution centers to a data processing center in Columbus, Ohio. Another distribution center in Secaucus, N.J., specializes in ladies' apparel. The general distribution centers handle over 13,000 stock items each.

"This year we will have 87 tractors and 282 trailers servicing 1,435 stores, over 80% of our total," said John W. Largent. "Use of our own motorized fleet reduces freight costs to stores, provides faster and more dependable delivery, and reduces store inventory investment because of more frequent deliveries."

Modern distribution facilities like this computer-controlled package sorting equipment in huge warehouse in Denver, Pa. speed delivery of merchandise to stores.



Finance and Accounting

The financial department of the U.S. Woolworth and Woolco Division is under the jurisdiction of George W. Ramsey, its vice-president-finance and a corporate assistant treasurer.

The financial accounting operations of the U.S. Woolworth and Woolco Division are performed by the division's accounting office in Milwaukee, Wisconsin. A staff of some 700 employees under the division's controller, Leslie D. Zoch, receives and processes accounting data from approximately 1700 locations. Accounts payable, customer accounts receivable, financial and accounting, statistical reporting, employee payroll and fringe benefit records are among its responsibilities.

The division's accounting office computers and high speed laser printers produce fiscal information that is vital to the decision-making process. One factor adding to the effectiveness and timeliness of financial reports from the accounting office has been the increased use of telecommunications and point of sale capabilities which play an important part in moving and gathering key business data from various locations.

Management information systems are undergoing significant changes. Technological advancements in equipment and its adaptability to the division's business needs are bringing about major enhancements to complement centralized merchandising and aids for improved inventory investment.

The financial planning and budgeting department is responsible for the development, analysis and interpretation of statistical information used in establishing annual and five year operational plans.



Kinney Shoe Corporation

The meteoric rise of Kinney Shoe Corporation to a position in the forefront of footwear retailing has been the result of skillful and careful planning.

Since 1963, when Kinney became a Woolworth subsidiary, its growth has been unparalleled by any other division or subsidiary of the company. Growing presently at the rate of 18 to 20 percent a year, Kinney's overall operations passed \$800 million in sales in 1978. Kinney operates 2219 stores and leased departments in the United States and Canada as well as Williams Shoe Stores in Australia.

Since expanding into Canada in 1965, Kinney has become the dominant shoe operation in the Dominion, with 318 stores and 1978 sales in excess of \$125

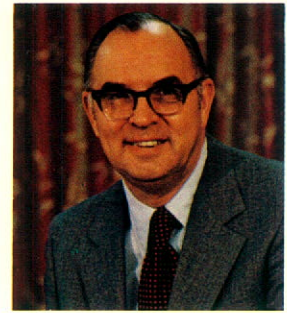
Kinney Shoe stores and its fashion apparel outlet, Susie's Casuals, are familiar sight in U.S. regional shopping centers. Foot Lockers feature athletic footwear.

Kinney Shoe Corporation has enjoyed astounding success as a Woolworth subsidiary since 1963. Its stores offer popular-priced shoes for every member of the family.

Attractive interiors of Kinney stores have been created by special display fixtures. Storage facilities are out of sight.



CAMERON I. ANDERSON
President
Kinney Shoe Corporation



million. In Australia, where Kinney operates Williams Shoe, Ltd. the company has become Australia's only nationwide shoe chain, with 101 stores.

While the major share of the company's business in the U.S. is done under the Kinney name, it also operates a number of specialty stores: Susie's Casuals, specializing in junior ready-to-wear apparel with 204 stores in regional shopping centers throughout the nation; more than 300 leased departments in discount stores in the U.S. and Canada – approximately one-third in Woolco stores; 70 women's shoe boutiques in Canada under the name of Fredelle; 52 Lewis Family stores that specialize in higher-priced family shoes; and a group of 13 Mankind stores specializing in male footwear.

A fast growing new Kinney enterprise is its popular and profitable Foot Locker stores which specialize in athletic footwear and related sports accessories. Started as a two-store test venture in 1974, Foot Locker has expanded rapidly. It opened

35 new stores in 1978 for a total of 68, and its future plans call for 40 to 45 more during the centennial year, all in shopping centers. Foot Locker is also being expanded in Canadian regional shopping centers.

Kinney operates 10 shoe manufacturing plants in the U.S., which produce an average of 40-43,000 pairs a day, as well as a Canadian factory specializing in women's footwear. Kinney's manufacturing headquarters is its Carlisle, Pa., plant, while other production plants are located in central Pennsylvania and West Virginia. The company's distribution center is in Camp Hill, Pa., a few miles from Harrisburg.

The Kinney company, founded in 1894 by George Romanta Kinney, has been built on personal service to its customers. Future expansion plans will continue to favor full service over self service.

Susie's Casuals, Kinney's young women's apparel stores, have caught fancy of fashion-conscious young shoppers since the first units were opened in 1968.

Foot Locker, Kinney's athletic footwear chain, has enjoyed spectacular growth since it was established four years ago. Stores carry name brands such as Adidas, Nike and Puma plus Kinney private labels.



DONALD J. GERSTENBERGER
Chairman of the Board
The Richman Brothers Company

HARRY P. GUINThER
President and
Chief Executive Officer
The Richman Brothers Company



Richman Brothers

The Richman Brothers Company, which became part of Woolworth in 1969, is now the nation's largest manufacturing retailer of men's ready-to-wear clothing.

With 289 stores operating in 38 states and the District of Columbia, Richman Brothers accounted for \$175 million in sales in 1978. This included the 95 Anderson-Little stores. Richman Brothers' manufacturing plants are in Cleveland, Ohio, Knoxville, Tenn., and Sturgis, Ky. Anderson-Little's production facility is in Fall River, Mass. *"Richman's production facilities include computerized fabric finishing and lasers for cutting fabrics. We have been able to increase production capacity while reducing costs through processing innovations,"* said Mr. Gerstenberger.

"Underlying Richman's success has been our attention to quality, styling and technological advances, unending pride in workmanship, and a strong sense of responsibility to customers and employees," Gerstenberger pointed out.

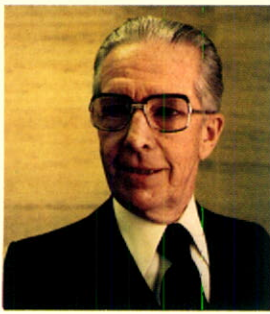
Much of Richman's future efforts will be directed towards capturing a larger share of the men's fashion market of the 25-49 age category as the dress-up trend replaces the casual look of recent years.

Richman Brothers' growth will be through planned expansion and saturation of its existing market areas, with more stores being opened in enclosed shopping malls, Gerstenberger explained.

Richman stores, many of them located in shopping centers, feature men's clothing and accessories designed and manufactured in company's own factories.

Increasing emphasis has been placed on making decor of Richman and Anderson-Little stores a selling "aid." New types of display fixtures help to merchandise fashions.

Men's and boys' fashions are main merchandise of Richman outlets, but Cleveland-based subsidiary also operates Anderson-Little family apparel stores on East Coast.



HARRY E. MOEDINGER
Corporate Vice-President
International

STEPHEN J. OWEN
Chairman of the Board
F. W. Woolworth and Co.,
Limited
Great Britain



F. W. Woolworth and Co., Limited, Great Britain

Woolworth, Great Britain, is a major factor in retailing in the United Kingdom, Eire and the Caribbean.

With 995 Woolworth, 13 Woolco and 18 Shoppers World catalogue stores, this unconsolidated subsidiary of F. W. Woolworth Co. is the outgrowth of the first "three & sixpence" store that Frank Woolworth opened in Liverpool, England in 1909.

Woolworth-Great Britain, which is 52.7 percent owned by F. W. Woolworth Co., is in a very strong position in its market and has good growth potential, said Stephen J. Owen, chairman of the board.

The subsidiary is increasing its share of the leisure-time, apparel and luggage product lines and sales in larger stores where a full range of home furniture has been introduced.

Owen said there would be a number of major changes in retailing in this subsidiary in the future. There will be more specialization; we will be going outside to get specialty stores and will also develop specialty departments within our stores. *"We will also be making greater use of electronic equipment that will enable us to make better and quicker decisions affecting the company,"* Owen said.

Future expansion of merchandise lines will be in such areas as sporting goods, adult games, particularly in the TV and electronic areas, and do-it-yourself equipment. *"We are also looking at expanding personal services to our customers, including such things as travel arrangements, optometry and others,"* Owen pointed out.

Woolworth-Great Britain operates 1,026 Woolworth and Woolco stores throughout the United Kingdom. Company has a continuing program of modernizing and expanding stores.

A variety of food items has been a long-time staple in the merchandise offered by many Woolworth and Woolco stores in Great Britain. Cheeses are a special favorite.

A full line of cosmetics is among the merchandise areas enjoying increasing acceptance from British customers. Company has developed some of its own "lines."







WILLIAM R. GRAY
Vice-Chairman and Managing Director
F. W. Woolworth Co. Limited, Canada

FREDERICK R. GREENWOOD
President and Chief Operating Officer
F. W. Woolworth Co. Limited, Canada

F. W. Woolworth Co., Limited – Canada

One of Woolworth's strongest operations outside the United States is its Canadian subsidiary which today enjoys the distinction of being the second largest general merchandise retailer in Canada.

Stretching from the Maritime Provinces to British Columbia are 209 Woolworth, 100 Woolco discount stores and 10 catalogue stores, covering 81 percent of the major markets of Canada. William R. Gray, vice chairman and managing director, stated: *"The growth potential of our company in Canada is very good."*

The subsidiary's five-year plan calls for opening an average of six Woolco stores and two Woolworth stores a year to achieve a cluster effect in major markets. It also provides for refurbishing 10 Woolworth and three Woolco stores each year.

Woolco-Canada, which opened its first discount store in Windsor, Ont. in August 1962, is now a billion dollar operation and still growing. Woolco is particularly strong in the apparel field in Canada.

Clockwise at the left:

Canadian Company has more than 300 Woolworth and Woolco stores serving all of the provinces. Many are huge outlets designed to meet customer's every need.

Merchandising advances in fashion departments of Canadian stores have resulted from innovations in the Montreal Buying Office and intensive sales promotion.

Convenience for customers is emphasized in newer Canadian stores where step-saving "people movers" give easy access to all departments in multi-level units.

Woolworth and Woolco stores offer a complete range of photographic equipment and supplies to meet ever-increasing demand of Canadian customers.

National as well as private brands of major and personal appliances are offered to customers of Canadian stores. Merchandise is promoted through extensive advertising.

Right: Ten Woolco Catalogue stores in Canada cater to needs of customers who find that type of shopping more convenient. Some operate in former Woolworth stores.

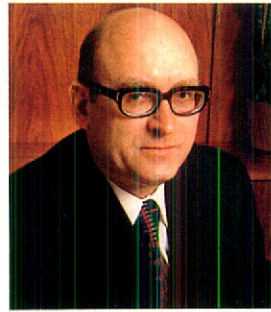
To keep pace with the rapid growth of its operation, Woolworth Co.-Canada has expanded its distribution facilities significantly, adding more than 300,000 square feet of space during the past year. A leased fleet of trucks operating under the Woolworth name was added in 1978 to provide faster and more dependable store deliveries to the southern Ontario area.

Woolworth Co.-Canada has been making greater use of electronic equipment for merchandise ordering and inventory management.

Looking to the future, F. W. Woolworth Co. Limited, said its plans include expansion of leisure lines, home improvement products, furniture, art goods and recreational equipment.



BRUNO WEISS
Managing Director
F. W. Woolworth Co., G.m.b.H.
Germany



F. W. Woolworth Co., G.m.b.H., Germany

The German company enjoys a strong position in the retailing field with 199 stores, and sales of approximately \$600 million last year, said Bruno Weiss, managing director.

The subsidiary's long-range plans call for continued growth and development of stores in West Germany. With the opening of two new stores in 1978, Woolworth-Germany has almost three million square feet of total sales area. Six additional stores will be opened during the centennial year.

The company now operates in virtually all of West Germany's major markets and the additional new stores will help provide a dominant position. On the average, the stores are 29,600 square feet, although Dorsten has a 61,000-square-foot unit.

With its newer and larger stores Woolworth-Germany has upgraded and expanded such merchandise as home improvement items, leisure lines, apparel and sports equipment. These successful departments are also being introduced in existing stores and supported by strong promotion.

Advances in electronic data processing for the retailing field are constantly being reviewed by the company for possible applications. Woolworth-Germany technicians are involved in research and development work to incorporate much of this new electronic data equipment.

With the strong national currency and forecasts of a healthy, expanding economy, the prospects for growth of Woolworth-Germany are excellent.

The German Woolworth Company operates almost 200 stores with a total sales area of nearly 3 million square feet. Company enjoys excellent penetration in major markets.

Clothing for all members of the family is among most popular merchandise with German customers. Ladies' fur coats are being sold in new and larger stores.

Sporting equipment and a variety of other leisure lines have been expanded and upgraded in the larger stores in Germany for sports oriented customers.

MARTIN L. MERRITT
Vice-President and Managing Director
F. W. Woolworth Co., S.A. de C.V., Mexico

PEDRO A. DE LA MORA
President and Managing Director
Woolworth Espanola, S.A.



F. W. Woolworth Co., S.A. de C.V., Mexico Woolworth Española, S.A.

With 24 stores the Mexican company has as broad-based an operation as any retailer in that country. In Spain, the company operates seven stores.

The sales and earnings of the Mexican and Spanish subsidiaries combined are comparatively small in the parent company's total operations. While the future growth potential in Mexico is very good, said Harry E. Moedinger, vice president-international, that of Spain depends to a great extent on its ability to cope with economic problems.

Merchandise lines in Woolworth's stores in both countries are geared not only to the nation's consumers but also to their tourist trade. Most of the merchandise lines in these stores are produced by local industries.

In Mexico, an extensive program of refurbishing stores is part of Woolworth's ongoing program to update older units and improve its share of the mar-

ket. Four major renovation programs are scheduled throughout the centennial year to increase the selling space by as much as 60 percent in some stores. Much of this added selling area will feature higher priced lines of popular merchandise in order to increase sales per square foot.

Distribution facilities in Mexico City also are being enlarged for more efficient and economical distribution of merchandise.

Woolworth-Spain is concentrating on improving and expanding its merchandise lines to reach new segments of value-conscious customers with diverse provincial preferences. More emphasis will be placed on household lines, sporting goods, sports apparel and fashions for teenagers.

Spain experienced a record tourist year in 1978 with the number of visitors exceeding the nation's population.

Woolworth's 24 stores in Mexico continually are being modernized to bring quality merchandise to customers. Selling space in some stores is being increased 60%.

Woolworth's seven stores in Spain are placing increasing emphasis on household lines, sporting goods and apparel and fashions for the teenage customers.



F. W. Woolworth Co.

Profile of the Company

Historic Unit and Sales Growth of the F. W. Woolworth Co.⁽¹⁾

1879 through 1978

YEAR	NUMBER OF STORES	SALES IN DOLLARS
1879	2	12,024
1889	12	246,782
1899	54	4,415,111
1909	238	23,317,807
1919	1081	119,496,107
1929	1825	303,047,172
1939	2021	318,839,663
1949	1938	615,649,544
1959	2221	916,836,907
1969 ⁽²⁾	3603	2,272,569,621
1978	4416	6,102,804,909

(1) Consolidated — All operations of the Company other than F. W. Woolworth and Co., Limited of Great Britain.

(2) Included in the 1969 and 1978 statistics are the stores and sales of the Kinney Shoe Corporation acquired in 1963... and the Richman Brothers Company acquired in 1969.

WOOLWORTH stores are located in the United States, Puerto Rico, the U.S. Virgin Islands, Canada, Germany, Mexico and Spain. Merchandise selections vary by country and by store size within any country.

WOOLCO stores are located in the United States and Canada. Woolco stores are full-line discount stores. In addition, Woolco catalogue stores are operated by Woolworth's Canadian subsidiary.

KINNEY stores are located in the United States, Puerto Rico, the U.S. Virgin Islands, Canada and Australia. Leased departments operate in the U.S. and Canada. Family shoe stores are Kinney's principal business. It also operates stores named Susie's Casuals specializing in misses' sportswear; a growing chain of stores named Foot Locker specializing primarily in athletic footwear; a number of shoe stores using the names Lewis, Mankind and Fredelle in Canada and Williams in Australia. Manufacturing is performed in 11 factories.

RICHMAN stores operate in the United States under the names of Richman or Anderson-Little. The stores are principally engaged in the merchandising and sale of men's and boys' clothing and furnishings. Four manufacturing plants support retail operations.

WOOLWORTH—GREAT BRITAIN stores are located in the United Kingdom, Eire and the Caribbean. Included are Woolworth and Woolco units and catalogue stores which use the name Shoppers World.

Store Record

OPERATIONS	RETAIL UNITS In Operation January 31 1979	SQUARE FEET OF SELLING AREA (In millions) January 31 1979	SALES (In millions of U.S. dollars) For the fiscal year ended January 31 1979
United States, Puerto Rico and U.S. Virgin Islands	1,414	24.3	\$1,539.6
Canada	205	3.5	243.5
Germany	199	3.0	742.6
Mexico	24	.6	50.8
Spain	7	.3	16.4
Total	1,849	31.7	2,592.9
United States	294	23.4	1,710.7
Canada		9.6	903.7
Stores	100		
Catalogue	10		
Total	404	33.0	2,614.4
United States, Puerto Rico and U.S. Virgin Islands		4.4	672.2
Stores	1,558		
Leased departments	242		
Canada and Australia		.9	135.9
Stores	316		
Leased departments	103		
Total	2,219	5.3	808.1
United States	289	1.5	177.1
CONSOLIDATED COMPANIES			
Stores	4,416		
Leased departments	345		
Total	4,761	71.5	\$6,102.8
Woolworth	995		
Woolco	13		
Catalogue	18		
Total	1,026		
GRAND TOTAL			
Stores	5,442		
Leased departments	345		
Total	5,787		

Directors

EDWARD F. GIBBONS
Chairman of the Board and Chief Executive Officer

RICHARD L. ANDERSON
Senior Executive Vice-President

LESTER A. BURCHAM
Retired Chairman of the Board, F. W. Woolworth Co.

DAVID E. CHENAULT
Vice-President, F. W. Woolworth Co.

JOHN L. GUSHMAN
Chairman of the Executive Committee,
Anchor Hocking Corporation

W. ROBERT HARRIS
President and Chief Operating Officer,
F. W. Woolworth Co.

GEORGE F. JAMES
Director of various companies

FRED M. KIRBY II
Chairman of the Board,
Alleghany Corporation
(financial services, fabricated steel products and
motor carrier)

Chairman of the Board,
Investors Diversified Services, Inc.
(financial services)

Chairman of the Board, MSL Industries, Inc.
(fabricated steel products)

SEYMOUR H. KNOX III
Vice-President, Kidder, Peabody & Co. Inc.
(member of the New York Stock Exchange, Inc.)

GEORGE H. LESCH
Director of various companies

JOHN W. LYNN
Senior Executive Vice-President, F. W. Woolworth Co.

MARGARET P. MAC KIMM
Vice-President and Director of Public Relations,
Kraft, Inc. (food processing)

GEORGE W. NELSON
Senior Vice-President, F. W. Woolworth Co.

STEPHEN J. OWEN
Chairman of the Board, F. W. Woolworth
and Co., Limited, Great Britain

ANDREW F. PECK
Vice-President and Director,
Kidder, Peabody & Co., Inc.
(member of the New York Stock Exchange, Inc.)

ELLIS W. SMITH
Senior Vice-President, F. W. Woolworth Co.

JOHN L. SULLIVAN
Executive Vice-President, F. W. Woolworth Co.

GORDON T. WALLIS
Chairman of the Board and Chief Executive Officer,
Irving Trust Company and Charter New York Corporation
(bank and bank holding company)

HONORARY DIRECTORS

ROBERT C. KIRKWOOD
JAMES T. LEFTWICH

POLICY AND FINANCE COMMITTEE:

E. F. Gibbons, Chairman

L. A. Burcham	S. H. Knox III
J. L. Gushman	G. H. Lesch
W. R. Harris	M. P. MacKimm
G. F. James	A. F. Peck
F. M. Kirby II	G. T. Wallis

EXECUTIVE COMMITTEE:

E. F. Gibbons, Chairman

R. L. Anderson	G. W. Nelson
D. E. Chenault	A. F. Peck
W. R. Harris	E. W. Smith
S. H. Knox III	J. L. Sullivan
J. W. Lynn	

AUDIT COMMITTEE:

G. H. Lesch, Chairman

L. A. Burcham	A. F. Peck
G. F. James	G. T. Wallis
F. M. Kirby II	

BOARD MEMBERSHIP COMMITTEE:

E. F. Gibbons, Chairman

L. A. Burcham	S. H. Knox III
J. L. Gushman	G. H. Lesch
F. M. Kirby	

STOCK OPTION COMMITTEE:

G. F. James, Chairman

F. M. Kirby II	G. T. Wallis
S. H. Knox III	

COMPENSATION COMMITTEE:

G. H. Lesch, Chairman

L. A. Burcham	S. H. Knox III
J. L. Gushman	E. F. Gibbons, Advisor
F. M. Kirby II	

Corporate Officers

Chairman of the Board and Chief Executive Officer
EDWARD F. GIBBONS

President and Chief Operating Officer
W. ROBERT HARRIS

Senior Executive Vice-Presidents:

RICHARD L. ANDERSON
JOHN W. LYNN

Executive Vice-President
JOHN L. SULLIVAN

Senior Vice-Presidents:

LESTER D. HEWELL – Store Operations and Administration
JOHN P. LONG – Corporate Personnel
GEORGE W. NELSON
ELLIS W. SMITH – Finance

Vice Presidents:

ARNOLD S. ANDERSON – General Counsel
WILLIAM G. BAKER JR. – Expense and Security
DAVID E. CHENAULT – Personnel
HERBERT H. EAMES, JR. – Contoller
ROY L. GAROFALO – Investor Relations
HAROLD R. HISER, JR. – Treasurer
ERNEST W. KAUFFMAN – Sales Promotion and Advertising
CHARLES L. KLINE – Merchandising
HARRY E. MOEDINGER – International
LOUIS W. PAYNTER – Restaurant Operations
HAROLD E. SELLS – Store Development
HUBERT P. SMITH – Public Affairs

Secretary and Assistant Treasurer
ROBERT C. HELLER

General Auditor
JAMES F. WELCH

Assistant Vice-Presidents:

JERROLD M. EVANS – Merchandising
JOHN W. LARGEN – Distribution
AUBREY C. LEWIS – Corporate Administrative Services
SYLVESTER A. TUOHY – Merchandising

Assistant to Senior Vice-President of Finance
CLAYTON H. VAN BUREN

Assistant Secretary and Assistant Treasurer
ROBERT G. ZIMMERMANN

Assistant Treasurers:
EDWARD G. CAHILL
RICHARD C. LUY
WILLIAM H. PRECHT
GEORGE W. RAMSEY

Assistant Secretaries:
JOSEPH F. CARROLL
JACQUELINE D. DELAFUENTE
JAMES J. O'NEIL

Assistant Controllers:
RAYMOND W. PAULSEN
RICHARD D. YOUNG

Division and Subsidiaries

U. S. Woolworth and Woolco Division Principal Executives

President
JOHN L. SULLIVAN

General Manager
GEORGE W. NELSON

Regional Vice-Presidents

EDWARD E. CARTER – Northeastern
JOHN W. HARPER – Mid-Atlantic
JOHN E. PARKER – Southeastern
KENNETH E. COLSON – North Central
ROLLAND C. LADD – South Central
JACK R. MC NUTT – Pacific

F. W. Woolworth and Co., Limited Great Britain-Principal Executive

Chairman of the Board
STEPHEN J. OWEN

Consolidated Subsidiaries – Principal Executives

F. W. Woolworth Co. Limited, Canada
Vice-Chairman and Managing Director
WILLIAM R. GRAY
President and Chief Operating Officer
FREDERICK R. GREENWOOD

F. W. Woolworth Co., G.m.b.H., Germany
Managing Director
BRUNO WEISS

F. W. Woolworth Co., S.A. de C.V., Mexico
Vice-President and Managing Director
MARTIN L. MERRITT

Woolworth Espanola, S.A., Spain
President and Managing Director
PEDRO A. DE LA MORA

Kinney Shoe Corporation, New York, N.Y.
President
CAMERON I. ANDERSON

The Richman Brothers Company
Cleveland, Ohio
Chairman of the Board
DONALD J. GERSTENBERGER
President and Chief Executive Officer
HARRY P. GUINThER



THANKS, AMERICA!

For the opportunity of serving you over the past century, we are deeply grateful. Your loyal support has helped us to become not only a household institution but also a major factor in our nation's economy.

As we move into the second century, we pledge our continued efforts to provide you with the courteous service, quality merchandise and lowest possible prices consistent with our customer satisfaction policy that has been a Woolworth hallmark.

The basic philosophy and concept of our founder still are very much those of our present management. Our Centennial serves as an appropriate reminder that our customers still are our most important asset—and will continue to be as long as there is a Woolworth store serving the public.

