

Canada's
Finest

LOB LAWS

Annual Report



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The Globe and Mail
TORONTO

THE GLOBE MAGAZINE
OCTOBER 5th
1957

Welcome

TO OUR GRACIOUS QUEEN

ON THE OCCASION OF HER VISIT TO CANADA OCT. 12TH

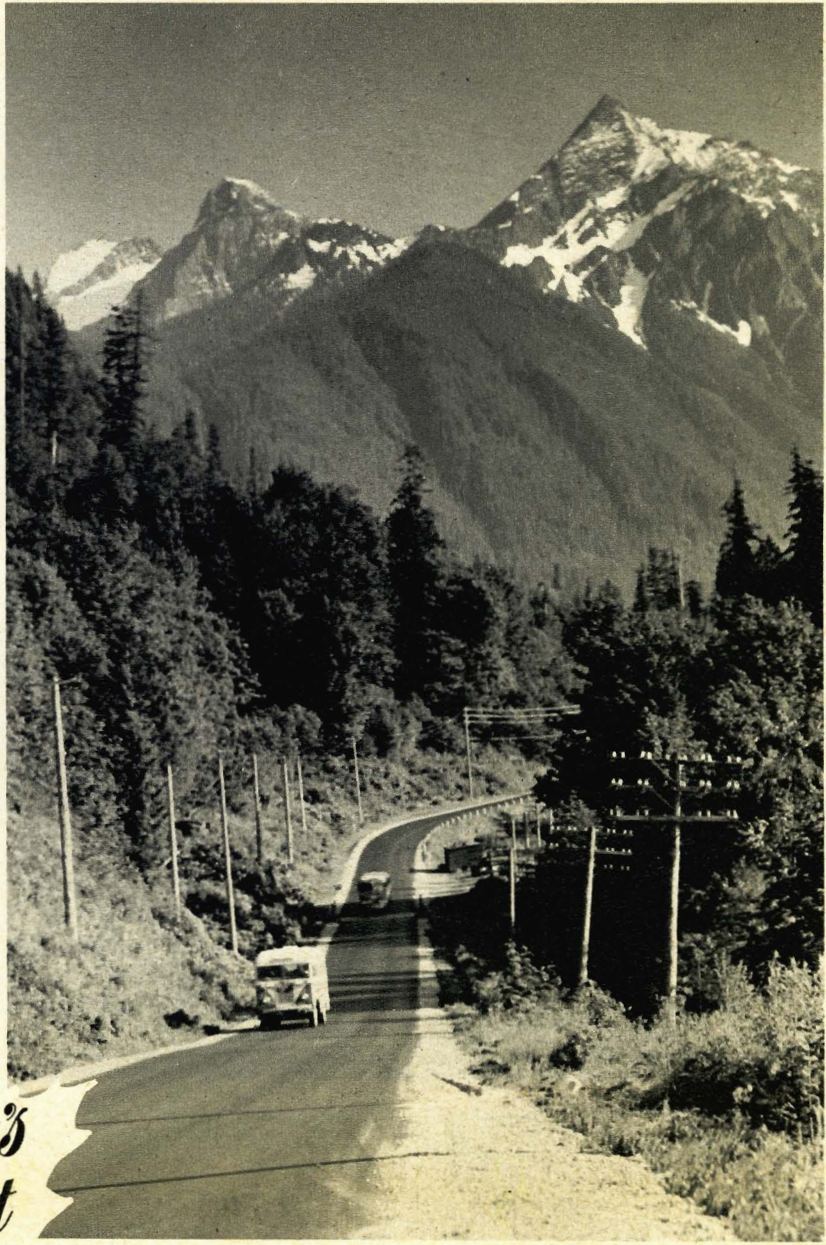
AT WHICH TIME SHE WILL
OFFICIATE AT OPENING OF
PARLIAMENT, OTTAWA





Her Most Excellent Majesty, Elizabeth the Second, and H.R.H. Prince Philip, Duke of Edinburgh, will have the constant protection of "Canada's Finest", the famous Red Coats . . . the Royal Canadian Mounted Police . . . during their Canadian visit. Ever colourful thoughts of the charming Queen Mother and the dynamic Sir Winston Churchill will be constantly with us during this momentous occasion.





*Canada's
Finest*



Enthusiasm

KEY TO SUCCESSES

That word "ENTHUSIASM"—what magic it conveys!

It is a word I will come back to, time and time again in this brief address.

In the words of Sir Winston Churchill "Upon the whole surface of the globe, there is no more spacious and splendid domain than Canada . . . open to the activity and genius of free men."

Gentlemen, what an enthusiastic appraisal of the opportunities that lie in Canada. So typical of the Great Sir Winston!

The eyes of the world are on Canada.

Canada has reached a height well above any other country of 17 million people.

Canada has immense wealth in natural resources, even greater potentialities that are still untapped.

OUR DOLLAR IS TODAY THE MOST DESIRABLE CURRENCY IN THE WORLD

Canada can't miss in the years to come.

Most of us have lived to see the birth of the automobile, diesel, airplane, jets, atomic power, plastics, synthetics, electronics. We have witnessed a revolution in living.

The airplane has shrunk oceans to the size of ponds.

It is possible that nuclear science has fashioned so much horror, annihilation in the atomic hydrogen bomb and intercontinental missiles that no nation ever again would dare launch a global war. We may have abolished great conflagrations.

Canada's Tomorrow

Where else would you rather be, gentlemen? What other part of this planet offers you such tremendous scope?

The old nightmares of Canada have passed. The early explorers were plagued with the toughness of Canada. The rocks were hard and everywhere. The Pre-cambrian Shield was a useless nuisance . . . Good for nothing, they said.

The water, the forests, the snow, the distances . . . were all deterrents to exploration.

Even in later years, the bush and rock and snow were enemies of the settlers. The Fathers of Confederation knew the burdens of building a railroad across such a rugged country.

The prospects for Canada were grim . . . because we did not have the tools and the knowledge to turn these 'barriers' into wealth.

What has happened since industrialization has provided us with these tools and that knowledge?

If you can grasp Canada's tremendous size, you can realize how the great reservoirs of minerals, lost in the trackless miles of rocks and forests, HAVE ONLY BEEN SCRATCHED.

She produces half the world's newsprint, ranks second in the yield of wheat. Aluminum, where we see what was formerly the world's largest plant at Arvida, now dwarfed by Kitimat.

Canada is rich in water. It is estimated that we have more than one third of all the fresh water in the world. And this, for a nation of a mere seventeen million people, just twice the population of Tokyo, New York or London.

HIGHLIGHTS

of the
address by
GEORGE C. METCALF
PRESIDENT
Loblaw Groceries Co., Limited
at the Directors' Luncheon
Canadian National Exhibition
Wednesday, August 28, 1957

New Coastlines—The West

They have actually brought the north Atlantic to the midwestern heartland.

Business men of tomorrow will talk of Canada's 'south coast' and the United States' 'north coast'.

Enthusiasm is everywhere.

North of Edmonton are the fabulous tar sands of Athabaska containing MORE OIL THAN ALL THE PROVEN RESERVES OF THE WORLD . . . Tar sands just waiting for an extraction process.

We are midway between the giants of the world—USSR and USA are on either side of us. This can be good or bad. We are midway between the great masses of population in Asia and Europe.

We are a tri-oceanic country and who knows what the Arctic will mean tomorrow. We have the respect of the other countries.

A former chancellor, who had just won a Nobel prize, was giving American newspaper men the most important single attribute for success. He said—"Without question, ENTHUSIASM, I consider it more important than professional skills."

Food—The Biggest

Now, I should like to say something about food.

The biggest, the most dynamic business in the world, "food" an exciting business.

Our population growth is partly due to immigration. If any of the new Canadians were asked their most favourable impression of Canada, many would say, "The Canadian Supermarkets".

The supermarket takes its place as one of the major inventions of the twentieth century. THE FASTEST GROWING BUSINESS IN THE WORLD.

International Interest

We have been repeatedly requested by many nations to set up supermarkets, to provide these nations with this modern wonder of the new world. A retail industry that has revolutionized shopping habits in the world's biggest business, "food".

The nations requesting our help, our know-how, our enthusiasm, include the British Isles, Australia, New Zealand, Italy, Switzerland, France, and other European countries, Mexico and others in South America, and even the Middle and Far East.

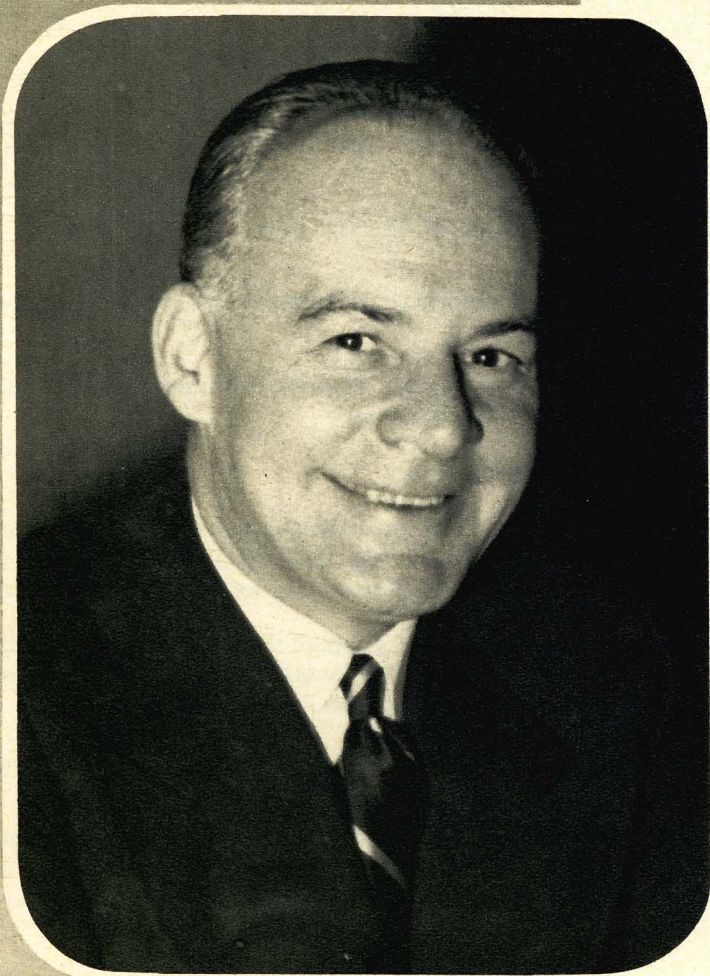
Hottest Development

Planned and designed shopping centres continue to be the "hottest" development in retail operations. The focal point of these is the supermarket, offering as it does all the latest and most modern equipment, service and food excitement.

The modern shopping centre is now an established fact, not a vague idea. Tested and proven successful, it has become a vital living part of the Canadian Community. We bend all our efforts to make Loblaw supermarkets the finest possible. They have the most modern features created and designed to date.

It has been my understanding that approximately 5,000 individual lines of merchandise are displayed in Loblaws. Gentlemen, to be sure, we checked. The answer is 6,558 lines. WHAT A SELECTION! All this means more volume of sales to you.

(Continued on page 14)



GEORGE C. METCALF
President

board of directors

JUSTIN M. CORK • WM. E. CORK
G. E. HUFFMAN
D. L. McCLOCKLIN • R. G. MEECH, Q.C.
G. C. METCALF
K. B. PALMER, Q.C.

executive officers

JUSTIN M. CORK *Chairman of the Board*
GEORGE C. METCALF
President
R. G. MEECH, Q.C.
Vice-President, Secretary and Treasurer
G. E. HUFFMAN
Vice-President—General Manager

President's Report

The year ended June 1, 1957, was your Company's 36th year of operation and the greatest in its history. In another period of outstanding accomplishment, new records were established in sales, earnings, total assets and the number of stores in operation. Considerable effort was again devoted to planning and building new Loblaw supermarkets to maintain your Company's commanding position in an expanding although extremely competitive business. Your resourceful management has introduced new methods and techniques to more efficiently serve a growing population. More than ever before, the Loblaw Supermarket has become the rendezvous of appreciative housewives.

sales

The optimism expressed by your management in the last annual report was justified by the rise in sales in Canada in the year ended June 1, 1957, (52 weeks) to an unprecedented level of \$285,000,000. This was an increase of 11.4% over Canadian sales of \$255,700,000 in the year ended June 2, 1956, (53 weeks) and marked the 14th consecutive year in which a new peak was established in sales.

earnings

Net profits for the year ended June 1, 1957, increased to an all-time high of \$8,015,740, and included for the first time the accounts of Loblaw Inc. For the year ended in 1956, net profit was \$5,668,088 which included earnings of Loblaw Inc. only to extent of dividends received. Net results in the year just ended were equal to \$7.36 per combined Second Preference and Common share after First Preference dividends of \$997,500, as against \$5.86 per share in the preceding year. Earnings of National Tea Co. were included in the 1957 profits of your Company only to the extent of \$1,128,001 in dividends received. A pro forma calculation to include net earnings of National Tea Co. in excess of dividends received, accruing to its shares held by Loblaw Groceterias Co., Limited, indicates that earnings on your Company's combined Second Preference and Common shares would be approximately \$8.50 per share.

Net profit on Canadian sales for the latest period represented 2.20% of these sales as compared with 2.22% in the preceding year. This profit percentage is the highest known of any in the same business field in the United States and Canada.

dividends

We continue to take pride in our record of dividend payments. For 32 consecutive years, dividends have been paid regularly, and payments of \$2,961,413 in the year ended June 1, 1957, raised the total of cash dividends paid since 1925 to over \$32,000,000.

expansion

We are constantly strengthening our competitive position which continues to be the strongest in our history. In the year ended June 1, 1957, your Company opened many new supermarkets, and completed major additions to a number of existing stores. At the end of the fiscal year, there were 188 Loblaw stores in operation. Seven new projects are under way in Western Canada—two new stores are to be opened in Edmonton, and one each in Winnipeg, Calgary, Lethbridge, Regina and Saskatoon.

employees

The enthusiasm, loyalty and competence of your employees is commended to you. The high level of efficiency in your organization is reflected in the record results of the year. Your management is deeply appreciative of the enthusiastic co-operation of your employees and their efforts to further the good will and success of your Company.

loblaw inc.

The investment in this controlled company was consolidated in your Company's accounts for the first time. Its sales for the year ended February 23, 1957, were at a new peak of \$241,500,000, and compared with \$211,910,835 in the year ended February 28, 1956. This subsidiary now operates 185 self-serve stores in the States of New York, Pennsylvania, Ohio and West Virginia.

national tea co.

Your Company now controls 34.03% of the capital stock of National Tea Co. Investment in these shares was carried among your assets as at June 1, 1957, at \$40,779,895, an increase from \$34,447,302 in the preceding year. Sales of National Tea in the year ended December 31, 1956, were \$617,600,000 as compared with \$575,584,774 in the 1955 period, and its net profits amounted to \$7,007,000 or \$3.30 per share, as compared with \$7,236,548 or \$3.41 per share. In the 24 weeks to June 16, 1957, National Tea recorded sales of \$291,945,688 and net profit after taxes of \$3,407,006, which compared with sales of \$279,635,018 and net profit of \$2,885,722 in the comparable period of 1956. Dividend payments in 1957 to date have been at the rate of 50¢ per Common share per quarter, at which rate the aggregate annual income which should be derived by your Company by way of dividends on its holdings of National Tea shares would amount to more than \$1,100,000. National Tea Co. is one of the largest food chains in the United States, and is continuing to expand.

financial position

Total assets of your Company as at June 1, 1957, reached a new high of \$173,259,471 which compares with \$106,183,829 a year earlier. Working capital of \$10,037,738 as at June 1, 1957, compared with \$4,088,558 at June 2, 1956. To provide additional funds, \$12,000,000 of 4¾% Convertible Sinking Fund Debentures Series D were sold during the year, and \$8,000,000 of 6% Sinking Fund Debentures Series E, carrying warrants to purchase Class A shares of Loblaw Companies Limited, were sold in August, 1957.

loblaw companies limited

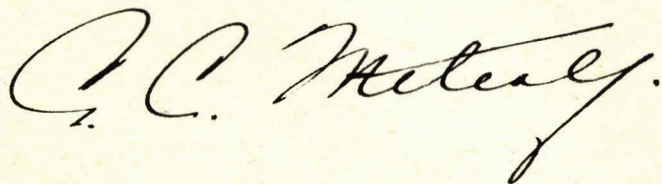
As of June 1, 1957, Loblaw Companies Limited held 97.1% of the Second Preference shares and 96.9% of the Common shares of Loblaw Groceterias Co., Limited. Earnings of Loblaw Groceterias for the year ended June 1, 1957, applicable to these shares totalled \$6,702,796, equal to \$2.64 per combined Class A and Class B share of Loblaw Companies after paying dividends of \$1,033,656 on the Redeemable Preferred shares. Earnings would be \$3.12 per share if profits in excess of dividends received from National Tea accruing to its shares held by Loblaw Groceterias had been included.

outlook

In keeping with the solid and continued growth of Canada, your management is buoyantly optimistic as regards the future prospects of your Company. Results so far in the new fiscal year of 1958 indicate that your Company is headed for much greater achievement. The locations of the stores of your Company are strategically situated to take full advantage of the benefits which will accrue from the development of the St. Lawrence Seaway.

The support and encouragement received from shareholders sustains management's confidence, and is appreciated.

Sincerely,



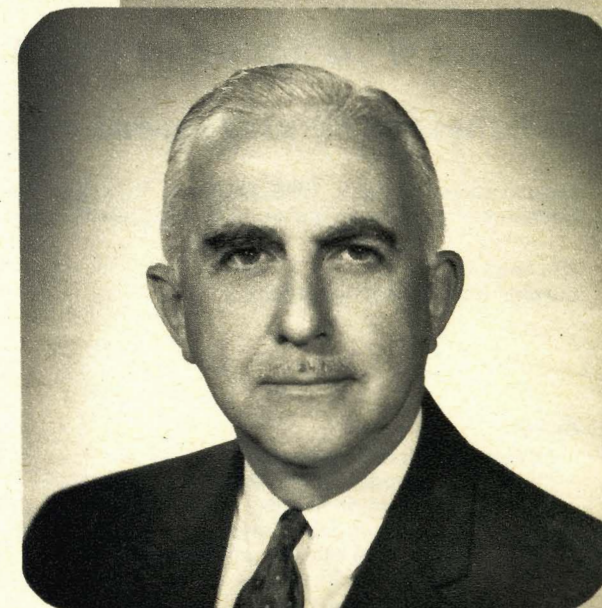
President.



JUSTIN M. CORK
Chairman of the Board



R. G. MEECH, Q.C.
Vice-President,
Secretary and Treasurer



G. E. HUFFMAN
Vice-President,
General Manager,

LOBLAWS *Famous* TEA



LOBLAW GROCETERIAS CO., LIMITED and subsidiary companies

consolidated statement of earned surplus YEAR ENDED JUNE 1, 1957

Earned surplus June 2, 1956, exclusive of Loblaw Inc. - - - - -	\$ 29,085,796
Earnings of Loblaw Inc. from date of acquisition to June 2, 1956 - - - - -	3,288,164
	<u>\$ 32,373,960</u>
Net income for year - - - - -	8,015,740
Surplus from sale of real estate - - - - -	1,470,135
	<u>\$ 41,859,835</u>
 <i>Deduct:</i>	
Dividends, First Preference shares - - - - -	\$ 997,500
Dividends, Second Preference shares - - - - -	916,815
Dividends, Common shares - - - - -	1,047,098
Expenses re sale of debentures - - - - -	397,319
Transferred to real estate carrying charge reserve - - - - -	1,125,503
Consolidated goodwill written off - - - - -	2,190,619
	<u>6,674,854</u>
EARNED SURPLUS JUNE 1, 1957 - - - - -	<u><u>\$ 35,184,981</u></u>

AND COFFEE *Excellence!*



consolidated statement of income YEAR ENDED JUNE 1, 1957

Income from all operations before taking into consideration the undernoted items - - - - -		\$ 24,638,505
<i>Add:</i>		
Dividends received from National Tea Co., less U.S. withholding tax thereon - - - - -		1,128,001
Income from other investments - - - - -		32,141
Applicable portion of real estate carrying charge reserve - - - - -		138,752
		<u>\$ 25,937,399</u>
<i>Deduct:</i>		
Allowance for depreciation - - - - -	\$ 5,782,265	
Employees' pension fund - - - - -	700,228	
Interest on sinking fund bonds and debentures - - - - -	1,588,576	
Interest on other long-term indebtedness - - - - -	83,906	8,154,975
		<u>\$ 17,782,424</u>
Income before taxes thereon - - - - -		7,914,608
Taxes on income - - - - -		<u>\$ 9,867,816</u>
Income before undernoted deductions - - - - -		
<i>Deduct:</i>		
Income of subsidiaries prior to date of acquisition - - - - -	297,300	
Minority interest in income subsequent to date of acquisition - - - - -	1,554,776	1,852,076
NET INCOME FOR YEAR - - - - -		<u>\$ 8,015,740</u>

LOBLAWS *Meat Excellence* **GUARANTEED** *Finest*

**GLEAMING
CELOPHANE
WRAPPED**

**EXACT
WEIGHT
POLICY**

LOBLAWS

**PREDRESSED
POULTRY**



Quality

WS LOBLAW'S

WS LOBLAW'S

LOBLAW'S

TRIM FOR FULL VALUE

Freshness
GUARANTEED

EXCESS FAT AND BONE REMOVED

Quality

WS LOBLAW'S

WS LOBLAW'S

WS LOBLAW'S

TRIM FOR FULL VALUE

Freshness
GUARANTEED

EXCESS FAT AND BONE REMOVED

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Quality

LOBLAWS

*Freshness
GUARANTEED*

LOBLAWS

**TRIM FOR
FULL VALUE**

LOBLAWS

**EXCESS FAT
AND BONE
REMOVED**

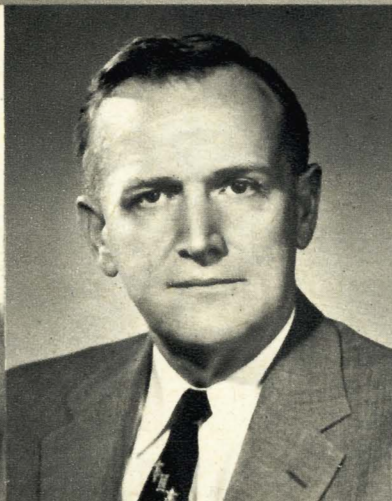
LOBLAWS ADMINISTRATION

W. E. CORK
Director

D. L. McCLOCKLIN
Director &
Assistant Secretary

K. B. PALMER, Q.C.
Director

A. AGNEW
Vice-President Meat
Operations



L O B L A W G R O C E T E R I A S C O . ,

Incorporated under the laws of Ontario

consolidated balance

assets

CURRENT ASSETS:

Cash - - - - -	\$ 8,601,741	
Accounts receivable, less allowance for doubtful accounts - - - - -	5,540,071	
Cost of properties to be sold under lease-back arrangements (see note 2) - - - - -	1,914,234	
Merchandise inventory as determined by the management and certified to be valued at not more than the lower of cost or market - - - - -	47,598,954	
Due from employees re pension fund - - - - -	361,456	\$ 64,016,456
ADVANCE TO LOBLAW COMPANIES LIMITED - - - - -		281,102
INVESTMENT IN SHARES OF NATIONAL TEA CO., AT COST, (quoted value \$29,400,000) - - - - -		40,779,895

FIXED ASSETS, AT COST:

Land - - - - -	17,708,006	
Buildings - - - - -	\$13,478,028	
Equipment and improvements - - - - -	52,968,380	
Motor vehicles - - - - -	4,530,906	
	70,977,314	
Less Accumulated allowance for depreciation - - - - -	28,227,384	42,749,930
		60,457,936

OTHER ASSETS:

Preference shares, Loblaw Leased Properties Limited, at cost - - - - -	4,322,500	
Deferred charges to operations - - - - -	2,028,131	
Mortgages receivable - - - - -	191,019	
Deferred accounts receivable, less allowance for doubtful accounts - - - - -	683,253	
Advances re construction in progress - - - - -	499,178	
Goodwill - - - - -	1	7,724,082
		<u>\$173,259,471</u>

auditors' report

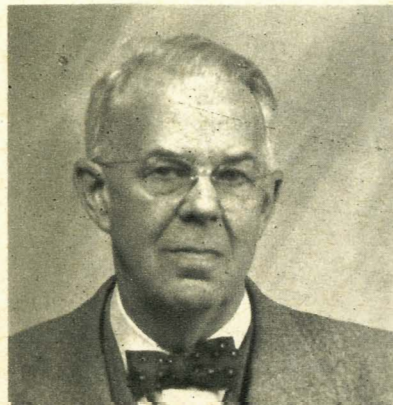
To the Shareholders of LOBLAW GROCETERIAS CO., LIMITED.

We have examined the consolidated balance sheet of Loblaw Groceterias Co., Limited and its subsidiary companies as at June 1, 1957 and the consolidated statements of income and earned surplus for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied upon the reports of auditors of certain subsidiaries whose accounts have not been reviewed by us.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of income and earned surplus, supplemented by the notes thereto, fairly present the combined financial position of Loblaw Groceterias Co., Limited and its subsidiary companies as at June 1, 1957 and the results of their operations for the year ended on that date.

Toronto, Canada,
July 22, 1957.

THORNE, MULHOLLAND, HOWSON & MCPHERSON
Chartered Accountants



K. W. BASH
Chief Engineer M.E.I.C.



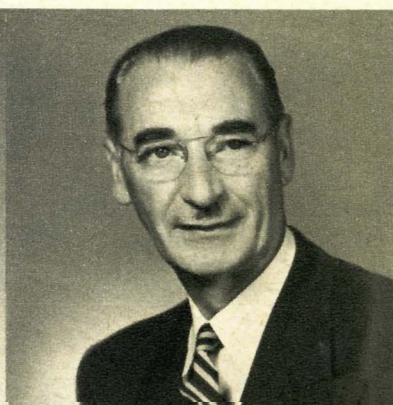
R. H. RICE
Manager
Real Estate Division



A. HARGREAVES
Advertising Manager



G. D. McLEOD, C.A.
Comptroller &
Assistant Secretary



J. M. PRAIN
Store Locations

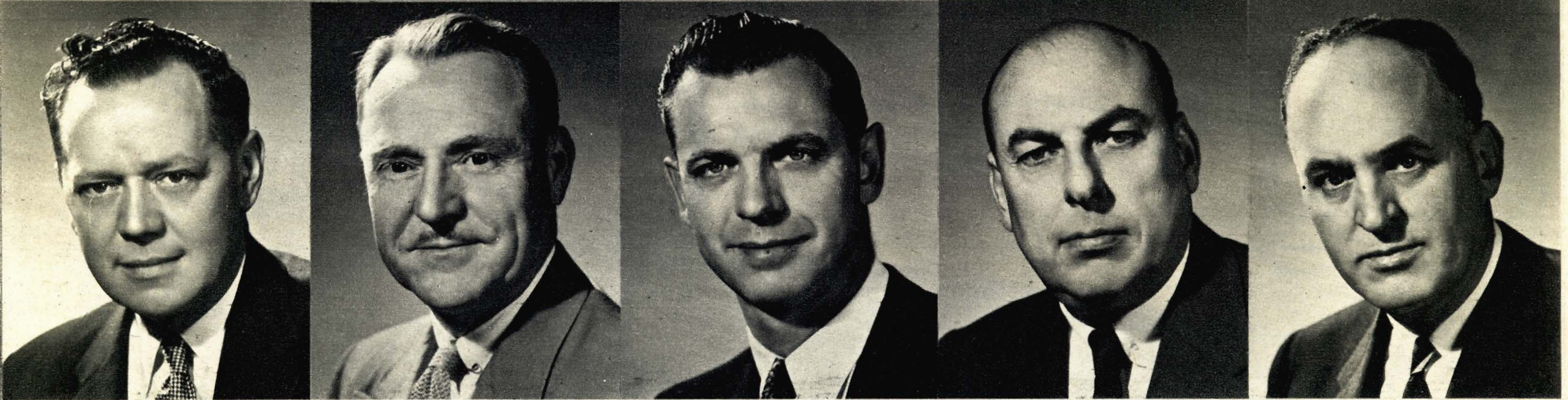
J. CORMACK
Vice-President Grocery
Operations

E. DAVIDSON
Vice-President Warehousing
and Distribution

W. W. LAIRD
Vice-President
Development, Expansion

F. W. MORLEY
Vice-President and
General Sales Manager

N. J. SPENCE
Vice-President and Director
of Store Operations



L I M I T E D a n d s u b s i d i a r y c o m p a n i e s

sheet June 1, 1957

liabilities

CURRENT LIABILITIES:

Bank loans and overdrafts	\$ 4,055,927
Notes payable	4,645,987
Accounts payable and accrued liabilities	39,185,047
Dividend payable	79,100
Income taxes payable	4,352,657
Sinking fund instalments and serial debentures due within one year	1,660,000
	\$ 53,978,718

MORTGAGES PAYABLE - - - - - 325,456

LONG-TERM INDEBTEDNESS (see note 4) - - - - - 38,275,985

REAL ESTATE CARRYING CHARGE RESERVE (see note 7) - - - - - 3,980,636

MINORITY INTERESTS:

Preferred and common shares and proportion of surplus of subsidiaries, held by public - - - - - 12,635,943

SHAREHOLDERS' EQUITY:

Capital stock (see note 8):

Authorized:

1,500,000 First Preference shares, par value \$30 each, issuable in series
577,515 Second Preference shares without par value
600,000 Common shares without par value

Issued:

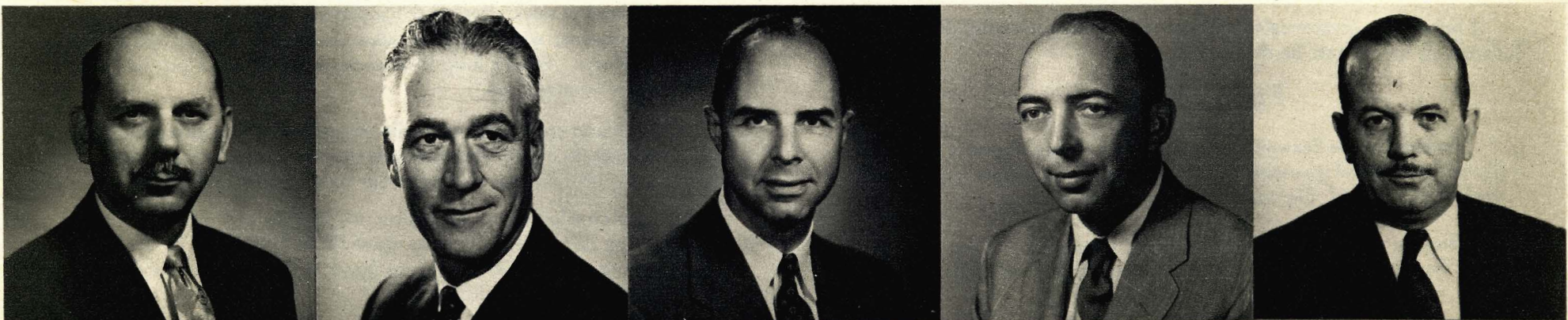
665,000 \$1.50 Cumulative Redeemable First Preference shares, Series A	19,950,000
445,056 Second Preference shares	7,179,422
508,300 Common shares	35,184,981
Earned surplus	1,748,330
Contributed surplus arising from the sale of capital stock at a premium	64,062,733
	<u>\$173,259,471</u>

The accompanying notes are an integral part of this statement and should be read in conjunction therewith.

Approved on behalf of the Board.

G. C. METCALF, Director.

R. G. MEECH, Director.



A. H. EDWARDS
Manager
Manufacturing &
Bakery Products

W. C. MILLER
Manager
Dairy Products Department

G. R. HUGHES
Manager
Tea & Coffee Department

E. RAINEY
Merchandise Manager
Produce Division

B. R. DODD
Purchasing Agent

Quality. Freshness!

QUALITY! Is assured by Loblaw's selection of only the finest producers with the finest poultry farms.



FRESHNESS! Is absolutely guaranteed by our expert candlers under government supervision and strict adherence to daily deliveries to the refrigerated cases in our supermarkets.



"ENTHUSIASM" (Continued from page 5)

Tell us How

Several of you men have said, "tell us how we can sell more goods"? Here is my suggestion in simple one-two-three form.

- No. 1 MAKE THE CALLS.
 - No. 2 KEEP EVERLASTINGLY AT IT.
 - No. 3 ENGENDER ENTHUSIASM IN YOURSELF AND YOUR STAFF.
- IT WILL INTENSIFY YOUR EFFORT. CHANGE THE WHOLE PATTERN OF YOUR OPERATION—YES! YOUR LIFE.

Gentlemen, make the calls, be **enthusiastic** for more business.

I repeat, for greater sales, **persist** and be **enthusiastic**, keep everlastingly at it.—It can be done.

Tight Money

Because of the Seaway and many other things, Canada has caught the **enthusiasm** of investors everywhere. Millions want to make Canada their home. **Why?** Did you ever ask yourselves why?

Because they have heard about the expansion. They have read about Seaways, hydro, Kitimats, new towns, mines, oil wells, pipelines, roads, glittering supermarkets.

Let us remember one thing, gentlemen, all this expansion takes money. It is based on faith, and faith alone, is nothing without capital.

We must have new homes, new schools, new churches, new factories, new warehouses, and new supermarkets, to keep up with the momentum which is Canada's boast to THE WORLD. Slow it too much with tight money and WE WILL KILL THE SPIRIT.

Why is money tight? The financial experts tell us it is to curb inflation. Our Prime Minister has said "The best way to curb inflation, is to lower taxes to stimulate production."

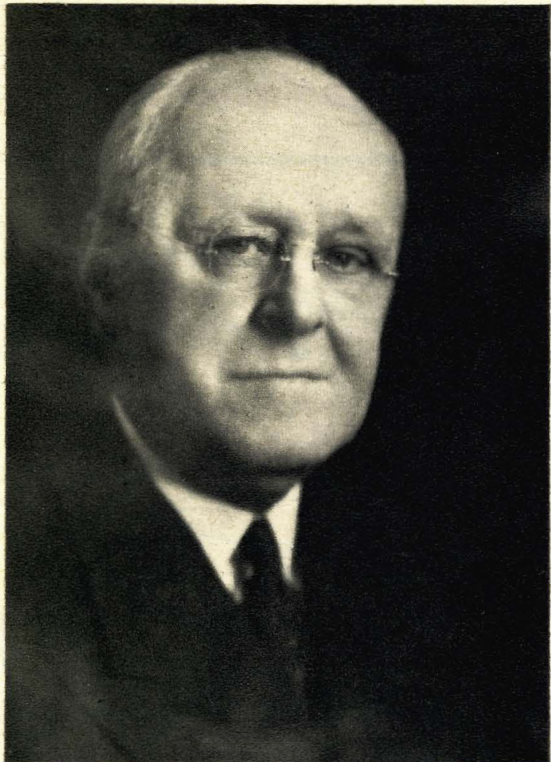
There is a solution to this perplexing problem, without the painful remedy of tight money. That remedy is **increased productivity**. We must do the job, a **real selling job**.

A few years ago the economists were predicting a recession, a business slow-down, and pointed to the Auto industry with its inventories and lagging sales. But what happened? The Auto men got busy with new designs, with energetic sales campaigns and powerful promotional efforts. Before long inventories were back to normal, auto sales set new high records.

Let's put our **energies**, our **enthusiasm**, our **maximum effort**, into this great business, food. With **faith** and **determination**, we can eliminate the bugaboo of inflation, and solve our tight money problem.

Before concluding, a suggestion to parents and young people. I am speaking of a career. Parents want their children to be successful. Every young person would like to have a successful career. Where better than the retail food business?

No other segment of Canadian business offers greater opportunities, right now, to learn, grow and succeed.



a tribute to the late J. Milton Cork

The quiet passing last April 20 of J. Milton Cork, Honorary Chairman of the Board, brought to a close a career that began with the founding of the Loblaw Company and Mr. Cork maintained an active interest in the business until the day of his death. He foresaw, years ago, the possibilities of self serve food markets. It was his faith that brought the Loblaw Company successfully through its early years and his enterprise that enabled it to grow. His dream of the future enabled Loblaws to spread its activities into more than 190 markets. His kindly spirit, his ability to inspire respect and affection, enabled him to build an organization destined to carry on in the splendid traditions that he established.

LOBLAW GROCETERIAS CO., LIMITED AND SUBSIDIARY COMPANIES

notes to consolidated financial statement YEAR ENDED JUNE 1, 1957

- The accounts of Loblaw Inc., a U.S. corporation, have been included in the current year's consolidated statements and are reflected at par of exchange.
- The cost of properties to be sold under lease-back arrangements represents properties which the company reasonably anticipates will be sold within the period of approximately one year.
- The taxes on income, as shown in the consolidated statement of income, are after a reduction of approximately \$521,000 because of the intention to claim for tax purposes depreciation to the extent of approximately \$1,057,000 in excess of the amount provided for the year in the accounts. The net accumulated amount to date by which taxes otherwise payable have been so reduced is approximately \$1,492,000.
- Long-term indebtedness consists of the following:

Bank loans secured by automotive equipment due 1957 to 1961 - - - - -	\$ 520,461	
Notes payable in annual instalments of \$200,000 each January 15th, with final instalment reduced by any optional or contingent payments made in accordance with terms of loan agreements - - - - -	1,692,000	
	<u>2,212,461</u>	
Less: Instalments included in current liabilities as notes payable - - - - -	616,476	1,595,985
4¾% Twenty year sinking fund debentures maturing March 1, 1973 and March 1, 1974, less sinking fund instalments aggregating \$900,000 due March 1, 1958 included in current liabilities - - - - -		14,000,000
4% Debentures, Series C:		
Serial debentures maturing October 15, 1957 to 1965, less \$400,000 due October 15, 1957 included in current liabilities - - - - -	3,200,000	
Sinking fund debentures maturing October 15, 1975 - - - - -	<u>7,840,000</u>	11,040,000
4¾% Sinking fund debentures, Series D (Convertible into Class A shares of Loblaw Companies Limited) maturing October 1, 1976, less sinking fund instalment of \$360,000 due October 1, 1957 included in current liabilities	11,640,000	
	<u>\$38,275,985</u>	
- There are contracts outstanding for the further expansion of the retail facilities of the company and its subsidiaries, the total amount of which, although substantial, cannot accurately be determined at this time.
- The contractual obligations of the company and its subsidiaries, with respect to long-term lease agreements which extend beyond five years from the balance sheet date, aggregate approximately \$101,000,000. During the year ended June 1, 1957 certain properties were sold for an aggregate consideration of \$6,783,606 and long-term leases were entered into with respect to the same properties.
- The real estate carrying charge reserve originates from the excess of sale price over depreciated cost of certain store properties sold and is being amortized over the periods of long-term leases entered into by the companies on the respective properties. It is the present intention to continue this practice. Additions of \$1,125,502 were credited to the reserve during the year and amortization and other charges amounted to \$242,975.
- The \$1.50 cumulative redeemable first preference shares, series A, carry a cumulative preferential dividend of \$1.50 per share, have a priority on winding up of \$33.50 per share, together with all unpaid preferential dividends, may be purchased for cancellation at market but not exceeding \$35 and costs of purchase and all unpaid preferential dividends and are redeemable at \$35 per share, together with all unpaid preferential dividends. The company is obligated to apply to the retirement of the \$1.50 cumulative redeemable first preference shares, series A, an amount not exceeding \$200,000 in each of the fiscal years of the company, commencing in 1957, provided that such shares are available for purchase at a price not exceeding \$33.50 per share.
- The second preference shares carry a cumulative preferential annual dividend of 50¢ per share and participate equally with the common shares after payment of 50¢ per share annually on the latter. The second preference shares have a priority on winding up of \$15 per share and may be purchased for redemption at market but not exceeding \$50 per share and are redeemable at \$50 per share.
- The trust indenture and indentures supplemental thereto, under which the debentures were issued, contain restrictions on the payment of cash dividends and the redemption, reduction, or purchase of capital stock.

TORONTO

Operation Seaway!



PORT ARTHUR—
FORT WILLIAM

MICHIPICOTEN



SAULT STE. MARIE



CORNWALL

NEW

KINGSTON

YORK

Lake
Ont.

ROCHESTER



BUFFALO

PENNSYLVANIA



Lake Erie

CLEVELAND

OHIO

DETROIT

BAY CITY

MICHIGAN

Lake Michigan

BENTON HARBOUR



MILWAUKEE

CHICAGO



ILLINOIS

IOWA



WISCONSIN



ASHLAND

DULUTH

SUPERIOR

MINNESOTA

CHICAGO



Legend

ST. LAWRENCE SEAWAY



Ontario

Quebec

ST. LAWRENCE
RIVER

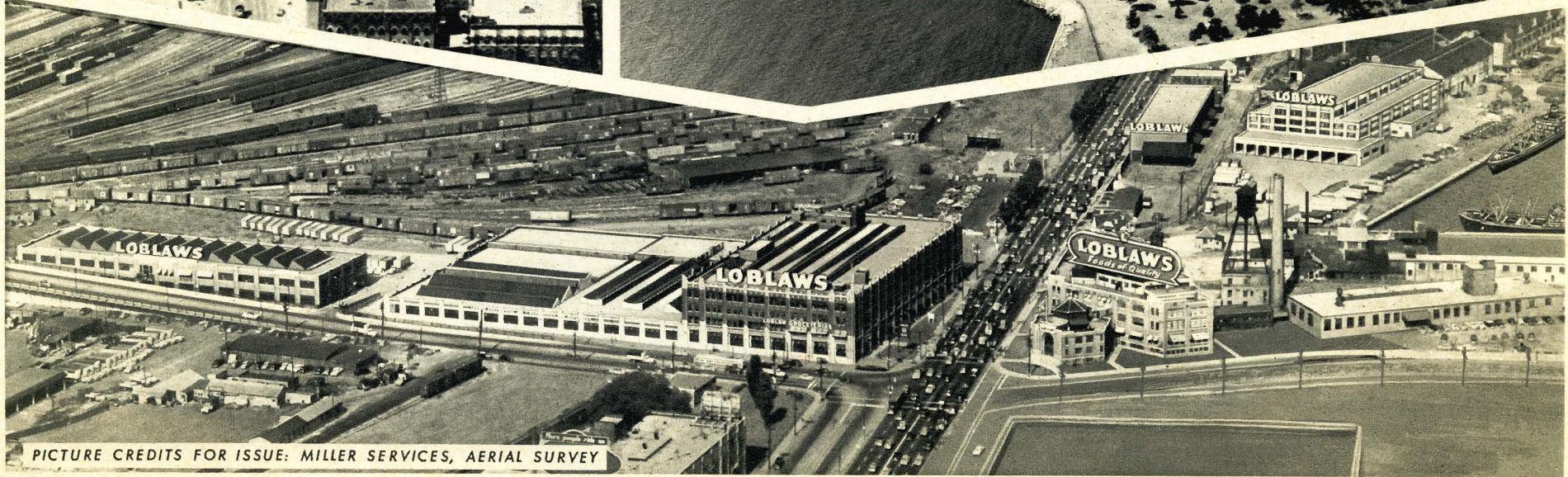
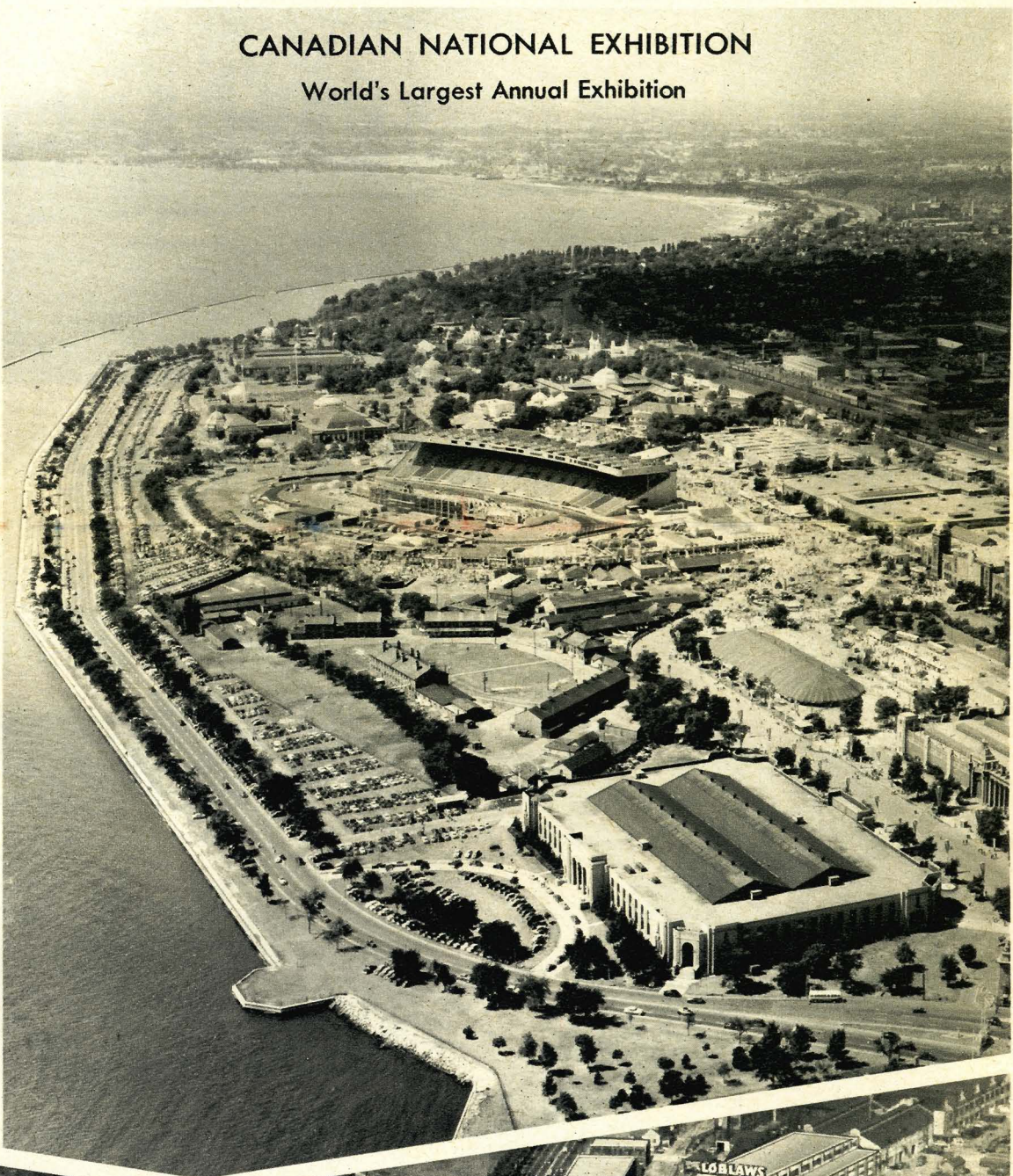
MONTREAL

TORONTO *"Seaport City"*



CANADIAN NATIONAL EXHIBITION

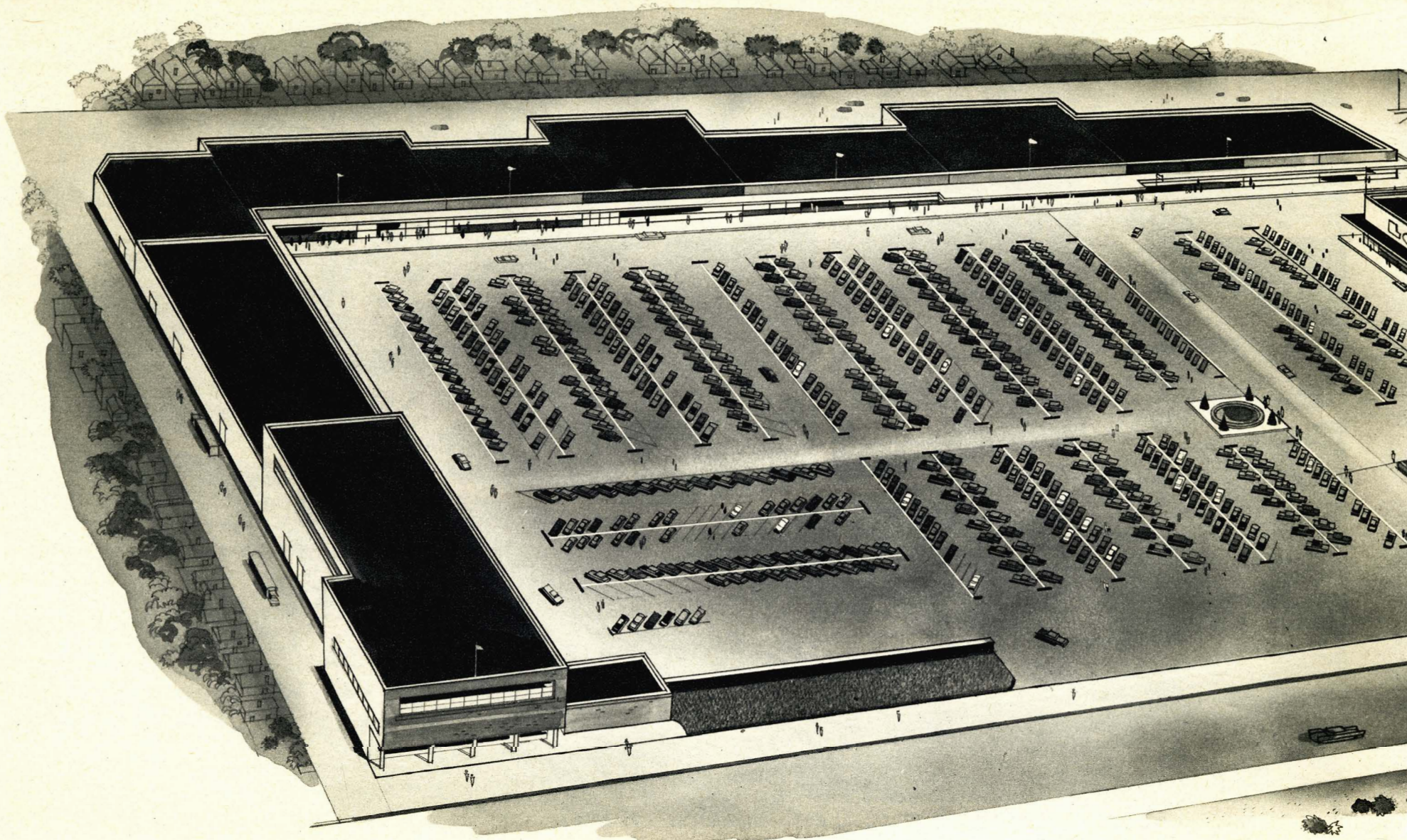
World's Largest Annual Exhibition





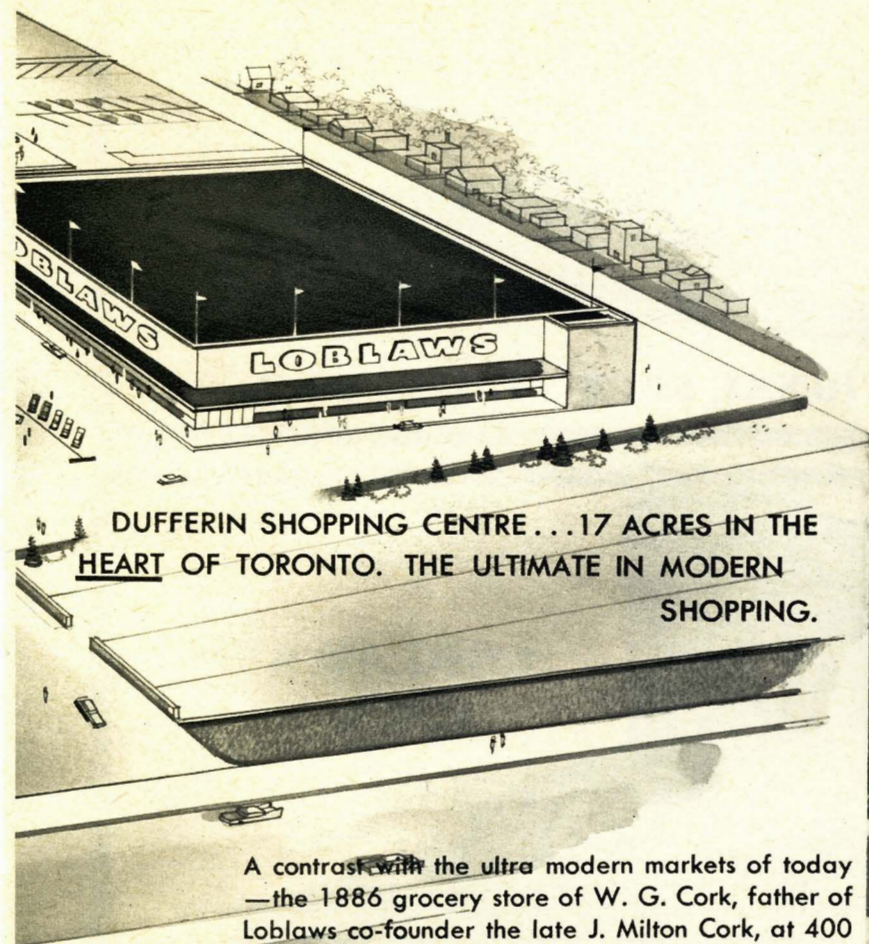
PROGRESS

WITH LOBLAWS
THROUGHOUT THE YEARS!





Progress has resulted in the amazing evolution of master supermarkets . . . the modern wonder of the new world. Strategically planned Shopping Centres are the most successful development in today's retail operations.

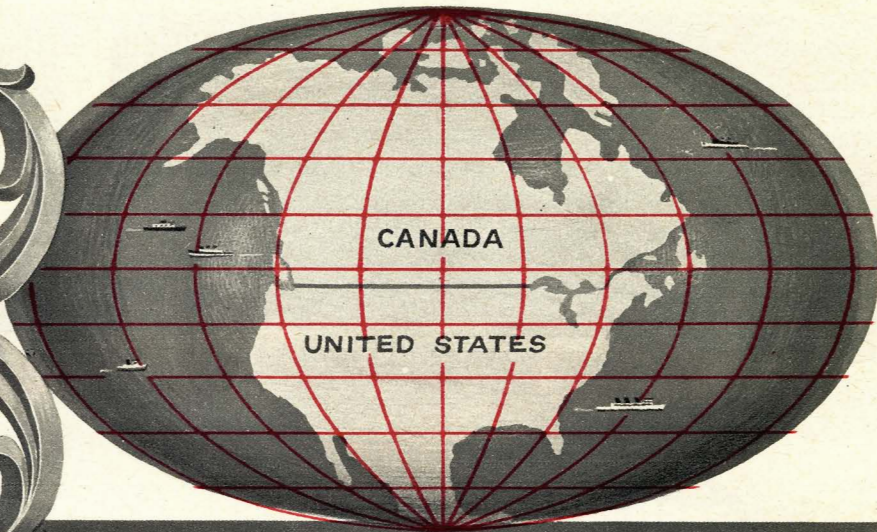


DUFFERIN SHOPPING CENTRE . . . 17 ACRES IN THE HEART OF TORONTO. THE ULTIMATE IN MODERN SHOPPING.

A contrast with the ultra modern markets of today — the 1886 grocery store of W. G. Cork, father of Loblaws co-founder the late J. Milton Cork, at 400 King Street East. Number 1, the late T. P. Loblaw, Loblaws co-founder, Number 2, J. Milton Cork, and on the right Number 3, Mrs. W. G. Cork and Number 4, Mr. W. G. Cork.



TORONTO
1886

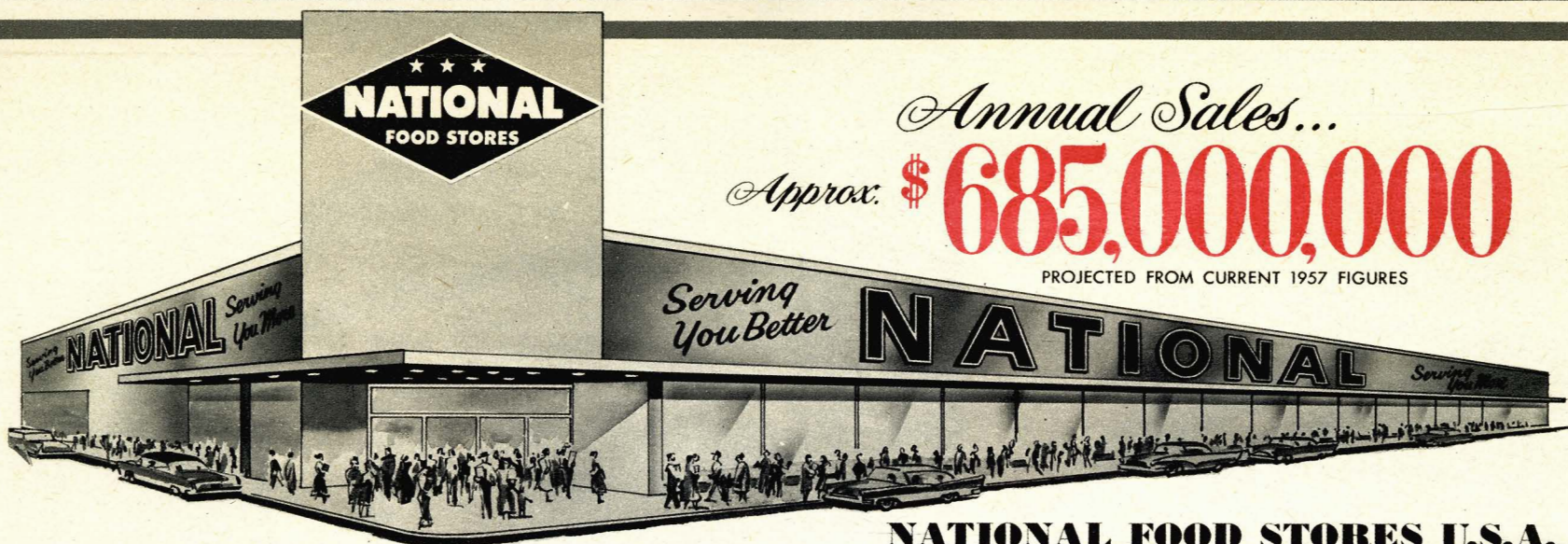


Annual Sales...
\$285,000,000

YEAR ENDED JUNE 1st 1957

Canada's Finest

**LOBLAWS
ONTARIO**



Annual Sales...
Approx. **\$685,000,000**

PROJECTED FROM CURRENT 1957 FIGURES

NATIONAL FOOD STORES U.S.A.

Annual Sales...
\$241,495,440

YEAR ENDED FEB. 23, 1957



**LOBLAWS
U.S.A.**