SEARS, ROEBUCK AND CO.

Balance Sheet and Profit and Loss Account to June 30, 1908.
STATEMENT OF NET PROFITS,
Fiscal Year Ending June 30, 1908

Sales, less Returns, Allowances, Discounts, etc.... $40,843,866.41
Dividends on Investments............................... 89,685.66  $40,933,552

LESS:

Purchases, including differences in Inventories,
Wages, General and Selling Expenses, Advertising and all Administrative Charges.. $38,452,538.13
Interest on Borrowed Money........................... 273,727.02
Repairs, Renewals and Depreciation.................... 172,490.52  $38,898,755

Net Profits for the Year............................... $  2,034,796

R. W. SEARS, Esq., President,
Sears, Roebuck & Co.,
Chicago.

Dear Sir:

We have made an audit of the books and accounts of Sears, Roebuck & Co. for the fiscal year ending June 30, 1908, and in accordance therewith, we certify that in our opinion the foregoing statements of Income and the General Balance Sheet, are true exhibits of the results of the operation of the Company for said period and of its condition as of June 30, 1908.

THE AUDIT COMPANY OF NEW YORK
E. T. PERINE,     A. W. DUNNING,
President, New York.    Western Manager, Chicago

August 20, 1908.
SEARS, ROEBUCK AND CO.

Executive Offices.

Chicago, January 19th, 1909.

To the Stockholders:

The fiscal year of the Company, in accordance with an amendment to the By-Laws recently adopted, now ends on December 31 instead of June 30. Your Board of Directors therefore submits herewith the general balance sheet and statement of net profits for the six months ending December 31, 1908.

For the Board,

R. W. SEARS,
Chairman.

STATEMENT OF NET PROFITS,
Six Months Ending December 31, 1908

Sales, less Returns, Allowances, Discounts, etc. - $21,813,592.25
Dividends on Investments - 46,416.67 $21,860,008.92

LESS:

Purchases, including differences in Inventories, Wages, General and Selling Expenses, Advertising and all Administrative Charges - $19,494,264.51
Interest on Borrowed Money - 59,479.59
Repairs, Renewals and Depreciation - 314,807.92 $19,868,552.02

Net Profits for Six Months - $1,991,456.90
**SEARS, ROEBUCK AND CO.**

General Balance Sheet  
December 31, 1908

**ASSETS:**

Real Estate, Buildings, Plant, Fixtures, Machinery, Good Will, Patents and Investments in Securities of other Corporations:

- Book Value, July 1, 1908: $39,520,893.72
- Less Depreciations during the past six months: $278,582.60
  
Advances to and Investments in Factories owned and whose output is taken by this Company:  
Current Assets, including Advances to Manufacturers:

- Advances to Manufacturers whose output is chiefly taken by this Company: $1,417,476.09
- Merchandise and Supplies on hand: $5,055,895.56
- Due from Railroads, Express Companies and other common carriers, for goods in transit, claims, etc.: $322,708.36
- Due from Sundry Persons: $69,771.70
- Due from Customers: $60,810.56
- Insurance paid in advance: $25,475.38
- Cash in Banks and on hand: $1,645,661.71

**LIABILITIES:**

Preferred Capital Stock:
- 97,500 Shares at $100.00 each, 7% Cumulative: $9,750,000.00

Common Capital Stock:
- 300,000 Shares at $100.00 each: $30,000,000.00

Current Liabilities:
- For Merchandise and other Open Accounts: $2,780,938.17
- Preferred Stockholders' Dividend, payable January 2, 1909: $170,625.00

Surplus: $5,886,652.66

Deduct: 7% Dividends on Preferred Stock: $341,250.00

**Total:** $18,216,909