SEARS, ROEBUCK AND CO.

Consolidated Balance Sheet and Income Account for Year Ending December 31, 1927
SEARS, ROEBUCK AND CO.
CONSOLIDATED BALANCE SHEET
December 31, 1927

ASSETS

FIXED ASSETS:
Real Estate, Buildings, Fixtures and Machinery $ 56,633,564.51
Good Will, Patents, etc. 20,000,000.00

Total Fixed Assets $ 76,633,564.51

INVESTMENTS:
Capital Stock of other Companies 2,822,556.46

Total Investments 2,822,556.46

CURRENT ASSETS:
Inventories: Raw Material, Goods in Process, Supplies and Merchandise 49,644,256.07
Accounts Receivable 11,732,197.37
Marketable Securities, Mortgages, Bonds, Collateral Notes, Liberty
Bonds 22,621,097.62
Purchase Money Mortgage Notes 12,000,000.00
Cash in Banks and on Hand 5,578,146.20

101,575,697.26

Deferred Assets:
Insurance, Interest, Advertising Paid in Advance and Other Deferred Charges

Total Assets $181,710,453.02

LIABILITIES AND CAPITAL

CURRENT LIABILITIES:
Accounts Payable, including Amount Due Customers for Unfilled Orders $ 16,267,033.36
Accrued Taxes, Not Yet Due, including Reserve for Federal Taxes 5,015,989.20
Preferred Capital Stock not presented for redemption 25,300.82

$21,308,323.38

Reserves 3,042,047.40
Common Capital Stock 105,000,000.00
Authorized and Outstanding, 4,200,000 Shares of No Par Value
Surplus 55,390,082.24
TOTAL 163,432,129.64

SURPLUS ACCOUNT

Balance December 31, 1926 $ 45,867,190.26
Profit for the Year 1927 25,022,552.94

$70,889,743.20

DEDUCT:
Common Stock Dividend $ 10,499,660.96
Reduction of Good Will 5,000,000.00

Balance December 31, 1927 $ 55,390,082.24
SEARS, ROEBUCK AND CO.
CONSOLIDATED INCOME ACCOUNT
Year Ending December 31, 1927

Gross Sales .................................................. $292,927,257.32
Less Returns, Allowances, Discounts, etc. ....................... 24,195,463.28
Net Sales ........................................................ $268,731,794.04
Sales by Factories and other Income ................................ 8,770,592.93 $277,502,386.97

LESS:
Purchases, including difference in Inventories, Wages, General and Selling Expense, Advertising and all Administrative Charges ........... $242,334,859.19
Repairs on Plant and Equipment .................................... $ 1,031,056.26
Depreciation on Plant .............................................. 2,593,561.81 $45,959,477.26
Net Profit from Operations ......................................... 3,624,618.07

DEDUCT:
Reserve for Taxes ................................................ 4,187,310.43
Payment of Company's Contribution to Trustees of Employees' Savings and Profit Sharing Pension Fund for year ending December 31, 1927 2,333,046.34 6,520,356.77
Net Income for Year ............................................. 25,022,552.94

To the President:
We have made an audit of the books and accounts of Sears, Roebuck and Co. for the year ending December 31, 1927, and in accordance therewith certify that, in our opinion, the foregoing Consolidated Balance Sheet and Income Account are true exhibits of the condition of the Company as of December 31, 1927, and the results of its operations for the period.

A. W. DUNNING, President, New York.

E. C. GOODMAN, Western Manager, Chicago.

THE AUDIT COMPANY OF NEW YORK.

Chicago, January 23, 1928.