Annual Report
and
Consolidated Balance Sheet
of
MACK TRUCKS, INC.
and Subsidiary Companies

December 31, 1932
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December 31, 1932
TO THE STOCKHOLDERS OF
MACK TRUCKS, INC.

There is submitted herewith consolidated Balance Sheet and Profit and Loss Statement of Mack
Trucks, Inc., and subsidiary companies, certified to by Arthur Young and Company, showing the condition
of your Company as of December 31, 1932.

During the year quarterly dividends were paid on common stock at the rate of 25 cents per quarter,
amounting for the year to $692,262.84. Net Sales as shown in the attached statement of operations amounted
to $13,217,991.53 as compared with a corresponding amount of $25,131,010.14 for the year 1931.

The combined operations for the year resulted in a net loss of $862,372.58 before providing for Depreciation of $617,225.79, making a total loss of $1,479,598.37. This compares with a profit of $515,914.95,
before providing for Depreciation and Extraordinary Charges totalling $3,548,325.25, resulting in a net loss of $3,032,410.30 for the year 1931.

The amount of $617,225.79 for Depreciation charged against Operations for the year is $876,951.36
less than the corresponding amount for the year 1931. This reduction is accounted for, first, by the curtailed
production during the past year, which under the Company's policy of varying Depreciation according to
the activity of the plants, causes a corresponding decrease in Depreciation; second, the reduction of Tools
in 1931 to a net value of $1.00 has eliminated the need for any charge for Depreciation thereon.

Net Current Assets after deduction of Reserve for possible losses amount to $25,579,766.32 equivalent
to $37.83 per share on 676,145 shares outstanding in the hands of the public. This compares with
$29,464,752.71 or $40.03 value per share on 736,079 shares outstanding in the hands of the public at the
end of 1931.

Your Company has no bank loans or long-term indebtedness other than $541,000.00 Mack Trucks Real
Estate notes.

Cash and U. S. Government securities totalled $9,767,786.07 as compared with $7,041,222.41 in 1931.

Accounts and Notes Receivable at December 31, 1932 amounted to $10,389,918.90, as compared with
$14,814,561.33 in 1931; $18,112,948.69 in 1930; $22,087,391.41 in 1929, and $33,828,392.87 in 1925.

Inventories at December 31, 1932 amounted to $9,046,975.11, as compared with $10,369,199.97 in 1931;
$15,966,879.27 in 1930; $20,306,231.50 in 1929; and $25,914,355.29 in 1925.

Inventories of raw materials, work in process and repair parts are priced at cost or market whichever
is lower, and proper provision has been made for obsolescence. Because of the decreased demand for
trucks and buses, your management considers that the fair market value at this time is not determinable,
and, accordingly, has provided out of surplus additional reserve of $1,000,000.00 which is considered ample
for probable losses not now ascertainable. It is the opinion of your management that with a return to
normal conditions no reserve would be required, and, therefore, no charge for reduction in values has been
made against current year's operation.

The Reserve for possible losses, amounting to $1,958,129.82 at December 31, 1932, is after adding thereto
the sum of $1,000,000.00 transferred from Surplus and after deducting the sum of $169,940.10 charged to
this Reserve during 1932 with respect to items applicable thereto. The Reserve as it now stands, on the
basis of present conditions, is considered adequate for possible losses in the realization of Accounts and
Notes Receivable and Inventories which at the present time are not ascertainable.

During the year further reductions were made in expenses, including wages and salaries, in order to
bring cost of operation in line with present-day conditions.

Because of the general depression it is difficult to forecast future operations, but the exceptionally
strong financial position of your Company, and its excellent product, are reasons, in the opinion of your
officers, which justify the belief that when general business conditions improve the volume of business will
increase rapidly and past earning power be restored.

You will observe from the notice of the Annual Meeting that action is to be taken at that Meeting
for the cancellation of 103,217 shares of stock of the Corporation heretofore issued but now held in the
Treasury.

The President again takes this opportunity to express his deep appreciation of the loyal efforts of the
employees and the splendid spirit of cooperation which is being manifested.

FOR THE DIRECTORS
A. J. BROSSEAU
President

New York City
February 15th, 1933
MACK TRUCKS, INC.
CONSOLIDATED BALANCE

ASSETS

CURRENT ASSETS :
Cash ................................................................................................................................. $ 9,467,786.07
United States Government Securities-Certificates of Indebtedness 3 3/4%, due March 15, 1933 ................................................................. 300,000.00
Accounts and Notes Receivable ................................................................................. 10,389,918.90
Inventories ...................................................................................................................... 9,046,975.11
Total Current Assets ..................................................................................................... $29,204,680.08

FIXED ASSETS (AT COST) :
Real Estate ....................................................................................................................... $ 1,626,962.94
Buildings and Building Equipment .............................................................................. 13,071,799.89
Machinery and all Other Equipment ........................................................................... 19,649,004.48
Less : Reserve for Depreciation ................................................................................... 17,704,346.37
Total Fixed Assets ....................................................................................................... $34,347,767.31

SUNDRY INVESTMENTS ................................................................................................. 358,241.99

DEFERRED CHARGES .................................................................................................. 394,559.07

LICENSES, PATENTS, PATENT RIGHTS AND GOODWILL ......................... 2,438,364.94

$49,039,267.02

TO THE STOCKHOLDERS OF MACK TRUCKS, INC.:

We have examined the accounting records of MACK TRUCKS, INC., AND SUBS.

companying Statements of Operations and Surplus prepared therefrom, and we hereby certify th

consolidated financial position of Mack Trucks, Inc., and Subsidiaries as at December 31, 1932.

New York, February 15, 1933.
C. 9 AND SUBSIDIARIES

SHEET AT DECEMBER 31, 1932

LIABILITIES & CAPITAL

CURRENT LIABILITIES :

<table>
<thead>
<tr>
<th>Liability</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drafts Payable</td>
<td>$125,929.19</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$661,489.57</td>
</tr>
<tr>
<td>Accrued Accounts</td>
<td>$856,631.81</td>
</tr>
<tr>
<td>Customers' Deposits</td>
<td>$22,733.37</td>
</tr>
</tbody>
</table>

Total Current Liabilities: $1,666,783.94

RESERVE FOR LOSSES ON ACCOUNTS AND NOTES RECEIVABLE AND INVENTORIES NOT NOW ASCERTAINABLE :

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 1931</td>
<td>$1,128,069.92</td>
</tr>
<tr>
<td>Deduct: Charges thereto during 1932</td>
<td>$169,940.10</td>
</tr>
</tbody>
</table>

Reserve at December 31, 1932: $958,129.82

SECURED 6% NOTES, SERIES “A,” 1933-1940 :

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mack Trucks Real Estate, Inc.</td>
<td>$1,600,000.00</td>
</tr>
<tr>
<td>Less: In Treasury</td>
<td>$1,059,000.00</td>
</tr>
</tbody>
</table>

Surplus 670 Notes, Series “A,” 1933-1940: $541,000.00

EQUITY OF MINORITY STOCKHOLDERS IN SUBSIDIARIES: 3,120.33

CAPITAL STOCK :

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorized</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Issued</td>
<td>779,362</td>
</tr>
</tbody>
</table>

Less :

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Treasury (*)</td>
<td>103,217</td>
</tr>
<tr>
<td>676,145 shares in hands of Public-stated at</td>
<td>3,380,725.00</td>
</tr>
</tbody>
</table>

SURPLUS (Per accompanying statement): 41,489,507.93

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Surplus Paid in</td>
<td>$27,291,384.98</td>
</tr>
<tr>
<td>Earned Surplus</td>
<td>$14,198,122.95</td>
</tr>
</tbody>
</table>

Total Surplus: $49,039,267.02

(*) Including 9,803 shares purchased from and under option to employees at cost.

The above Consolidated Balance Sheet at December 31, 1932, and the accompanying statements correctly set forth, on the basis indicated therein, the result of the consolidated operations for the year ended that date.

ARTHUR YOUNG & COMPANY
MACK TRUCKS, INC., AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1932

SALES - Net .................................................. $13,217,991.53

NET LOSS FOR YEAR BEFORE PROVISION FOR DEPRECIATION.... $ 862,372.58

Add: Provision for Depreciation Charged against Operations for the year (as explained in President's letter) .................. 617,225.79

NET LOSS FOR YEAR ........................................... $ 1,479,598.37

STATEMENT OF CONSOLIDATED SURPLUS
AT DECEMBER 31, 1932

<table>
<thead>
<tr>
<th>Total</th>
<th>Capital</th>
<th>Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>SURPLUS AT DECEMBER 31, 1931, per Published Accounts .......... $47,397,379.47</td>
<td>$29,956,251.81</td>
<td>$17,441,127.66</td>
</tr>
</tbody>
</table>

Deduct:

Net Loss for 1932, per accompanying Statement of Operations ........... $ 1,479,598.37 $ 1,479,598.37 |

Premium on Purchase of Real Estate Notes 71,143.50 71,143.50 |

Provision for extraordinary losses on accounts and notes receivable and inventories (as explained in President's letter) 1,000,000.00 1,000,000.00 |

Cash dividends paid on Common Stock from January 1, 1932 to December 31, 1932 ....... 692,262.84 692,262.84 |

Difference between cost or allotment price and stated value of $5 per share on 103,217 shares purchased and now held in Treasury and 8,700 shares allotted to employees not to be issued ......... 2,664,866.83 2,664,866.83 |

$ 5,907,871.54 $ 2,664,866.83 $ 3,243,004.71 |

$41,489,507.93 $27,291,384.98 $14,198,122.95
BOARD OF DIRECTORS
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H. W. Croft  J. E. Savacool
W. R. Edson  W. Hinckle Smith
E. C. Fink  Andrew V. Stout
Albert H. Wiggin

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A. J. Brosseau, Chairman

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H. W. Croft  Charles Hayden  Albert H. Wiggin

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Bankers Trust Company, New York City

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W. R. Edson,  .  .  .  .  .  .  .  Vice Pres. & Comptroller
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F. R. Harrison,  .  .  .  .  .  .  .  Asst. Treasurer
I. G. Hopkins,  .  .  .  .  .  .  .  Auditor
H. S. Conklin,  .  .  .  .  .  .
AKRON, OH Mack-International Motor Truck Corp. 605 South Main Street
ALBANY, N. Y. Mack-International Motor Truck Corp. 1062 Broadway
ALLENTOWN, PA. Mack-International Motor Truck Corp.
ATLANTA, GA. Mack-International Motor Truck Corp. 404 Spring Street, N. W.
ATLANTIC CITY, N. J. Mack-International Motor Truck Corp. New York & Reading Avenues
Baltimore, MD. Mack-International Motor Truck Corp. 710 West 20th Street
BIRMINGHAM, AL. Mack-International Motor Truck Corp. 2601 6th Avenue South
BRIDGEPORT, CONN. Mack Motor Truck Co. 3205 North Main Street
BROOKLYN, N. Y. Mack-International Motor Truck Corp. 710 Second Avenue
BUFFALO, N. Y. Mack-International Motor Truck Corp. 710 North Main Street
CHICAGO, ILL. Mack-International Motor Truck Corp. 1120 South Whipple Street
CINCINNATI, OH Mack-International Motor Truck Corp. 310 South St. Clair Street
CLEVELAND, OH Mack-International Motor Truck Corp. 2001 Carnegie Avenue
COLUMBUS, OH Mack-International Motor Truck Corp.
DALLAS, TEX. Mack-International Motor Truck Corp. 100 South Ervay Street
Davenport, IOWA Mack-International Motor Truck Corp. 712 West First Street
DENVER, COLO. Mack-International Motor Truck Corp. 500 Grant Street
DETROIT, MICH. Mack-International Motor Truck Corp. 6133 Grand River Avenue
EL PASO, PA. Mack-International Motor Truck Corp.
FORT WORTH, TEX. Mack-International Motor Truck Corp. 605 West Weatherford Street
FRENO, CAL. Mack-International Motor Truck Corp. 1652 "B" Street
HARRISBURG, PA. Mack-International Motor Truck Corp. 24 South Cameron Street
HARTFORD, CONN. Mack Motor Truck Co. 750 W. Main Street
HUSTON, TX. Mack-International Motor Truck Corp. 1341 George Street
INDIANAPOLIS, IND. Mack-International Motor Truck Corp. 730 East Washington Street
JACKSONVILLE, FLA. Mack-International Motor Truck Corp. 114 Park Street
JERSEY CITY, N. J. Mack-International Motor Truck Corp. West Side Avenue at Newark Ave.
KANSAS CITY, MO. Mack-International Motor Truck Corp. 2001 South Alameda Street
KNOXVILLE, TENN. Mack-International Motor Truck Corp. 213 West Depot Avenue
LONG ISLAND CITY, N. Y. Mack-International Motor Truck Corp. 2101 South Alabama Street
LOS ANGELES, CAL. Mack-International Motor Truck Corp. 2311 So. Brockett Street
MANCHESTER, N. H. Mack Motor Truck Co. 264 Chestnut Street
MILWAUKEE, WIS. Mack-International Motor Truck Corp. 798 Jefferson Avenue
MINNEAPOLIS, MN Mack-International Motor Truck Corp. 4423 West Wisconsin Avenue
MINNEAPOLIS, MINN. Mack-International Motor Truck Corp. 885 Jericho Turnpike
MINNEAPOLIS (Twin City) MINN. Mack-International Motor Truck Corp. 2206 University Avenue Midway (St. Paul)
NASHVILLE, TENN. Mack-International Motor Truck Corp. 801 Lea Avenue
NEWARK, N. J. Mack-International Motor Truck Corp. 180 Vanderpool Street
NEWBURGH, N. Y. Mack-International Motor Truck Corp. 25 Bridge Street
NEW YORK, N. Y. Mack-International Motor Truck Corp. 64th Street and West End Avenue
NORFOLK, VA. Mack-International Motor Truck Corp. 201 West 24th Street
NORTHWICH, CONN. Mack Motor Truck Co. 1100 S. Main Street
OMAH, NEBR. Mack-International Motor Truck Corp. 9 East Tenth Street
PORTLAND, ME. Mack Motor Truck Co. 85 Bedford Street
PORTLAND, ORE. Mack-International Motor Truck Corp. 7 N. E. Oregon Street
POUGHKEEPSIE, N. Y. Mack-International Motor Truck Corp. 1921 Commercial Street
PORTLAND, M. Mack-International Motor Truck Corp. 110 North Main Street
READING, PA. Mack-International Motor Truck Corp. 225 South Broad Street
RICHMOND, VA. Mack-International Motor Truck Corp. 1200 North Boulevard
ROCHESTER, N. Y. Mack-International Motor Truck Corp. 1357 University Avenue
SACRAMENTO, CAL. Mack-International Motor Truck Corp. 470 North 16th Street
ST. LOUIS, MI. Mack-International Motor Truck Corp. 1224 St. Louis Avenue
ST. PAUL, MN. Mack-International Motor Truck Corp. 2205 University Avenue Midway

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