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

December 31, 1933
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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 & Company, showing the condition of your Company as of December 31, 1933.

During the year quarterly dividends were paid on common stock at the rate of 25 cents per quarter, amounting for the year to $664,997.84. Net Sales as shown in the attached statement of operations amounted to $15,744,279.17 as compared with a corresponding amount of $13,217,991.53 for the year 1932.

The combined operations for the year resulted in a net profit of $171,237.00 before providing for depreciation of $619,145.64, and the sum of $500,000.00 which has been added to the Reserve for possible losses, or a total loss for the year of $947,908.64. In 1932 the total loss, after providing for depreciation of $617,225.79, amounted to $1,479,598.37.

Net Current Assets after deduction of Reserve for possible losses amount to $23,073,765.63, equivalent to $34.58 per share on 667,335 shares outstanding in the hands of the public. This compares with $25,579,766.32 or $37.83 value per share on 676,145 shares outstanding in the hands of the public at the end of 1932.

Your Company has no bank loans or long-term indebtedness.

Cash and New York State short-term securities totalled $7,765,952.90 as compared with $9,767,786.07 in 1932.

Accounts and Notes Receivable at December 31, 1933 amounted to $10,234,882.25 as compared with $10,389,918.90 in 1932; $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, 1933 amounted to $8,694,132.75 as compared with $9,046,975.11 in 1932; $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.

The Reserve for possible losses amounted to $1,716,331.00 at December 31, 1933. This Reserve as it now stands on the basis of present conditions is considered adequate for possible losses, which at the present time are not ascertainable in the realization of Accounts and Notes Receivable and Inventories.

Because of general business conditions it is difficult to forecast the future, but it is the opinion of your officers that when these conditions improve the volume of business and earning power will increase rapidly.

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. Brossseau,
President.

New York City
February 15th, 1934.
MACK TRUCKS, INC.

CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT ASSETS:

Cash ............................................................................................................. $3,698,342.83
Marketable Securities — at Cost (Market Value $4,011,600.00)
State of New York 3% Notes Due May 8, 1934 ..................... $1,004,375.00
State of New York Emergency Unemployment Relief Bonds 2 3/4%—
Due July 1, 1934 ......................................................... 1,017,177.13
Due July 1, 1935 ......................................................... 1,024,403.41
Due July 1, 1936 ......................................................... 1,021,654.53 4,067,610.07
Accounts and Notes Receivable ......................................................... 10,234,882.25
Inventories .......................................................................................... 8,694,132.75
Total Current Assets ........................................................................... $26,694,967.90

FIXED ASSETS AT COST:

Real Estate ......................................................................................... $1,628,985.29
Buildings and Building Equipment ..................................................... 13,064,681.81
Machinery and All Other Equipment .................................................. 19,570,629.21
$34,264,296.31
Less : Reserve for Depreciation ......................................................... 18,173,053.25 16,091,243.06

SUNDARY INVESTMENTS (Includes Deposits in Closed Banks of $116,121.92) ................................................... 1,181,813.64

DEFERRED CHARGES ........................................................................ 297,264.89

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

$46,703,654.43

TO THE STOCKHOLDERS OF MACK TRUCKS, INC.

We have made an examination of the Consolidated Balance Sheet and consolidated Operations and Surplus for the year 1933. In connection therewith, we examined or received information and explanations from officers and employees of the Companies; we also made a general review of the transactions.

In our opinion, based on such examination, the above Consolidated Balance Sheet and accounts are presented in conformity with accepted principles of accounting consistently maintained by the Companies during the year and are a fair representation of the consolidated operations for the year ended that date.

AND SUBSIDIARIES

STATEMENT OF LIABILITIES & CAPITAL

CURRENT LIABILITIES:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drafts Payable</td>
<td>$125,919.81</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$983,046.94</td>
</tr>
<tr>
<td>Accrued Accounts</td>
<td>$764,851.12</td>
</tr>
<tr>
<td>Customers' Deposits</td>
<td>$31,053.40</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>$1,904,871.27</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at December 31, 1932</td>
<td>$1,958,129.82</td>
</tr>
<tr>
<td>Deduct: Charges thereto during 1933</td>
<td>$741,798.82</td>
</tr>
<tr>
<td>Add: Additional Amount Provided</td>
<td>$500,000.00</td>
</tr>
<tr>
<td>Total</td>
<td>$1,716,331.00</td>
</tr>
</tbody>
</table>

EQUITY OF MINORITY STOCKHOLDERS IN SUBSIDIARIES: $2,142.22

CAPITAL STOCK:

<table>
<thead>
<tr>
<th>Description</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common — No Par Value</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Authorized</td>
<td>103,217</td>
</tr>
<tr>
<td>Issued</td>
<td>779,362</td>
</tr>
<tr>
<td>Less: Cancelled during year</td>
<td>103,217</td>
</tr>
<tr>
<td>Outstanding</td>
<td>676,145</td>
</tr>
<tr>
<td>Less: In Treasury</td>
<td>8,810</td>
</tr>
<tr>
<td>In Hands of Public</td>
<td>667,335 stated at $5 per share</td>
</tr>
</tbody>
</table>

SURPLUS (Per Accompanying Statement):

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Surplus Paid In</td>
<td>$27,158,418.47</td>
</tr>
<tr>
<td>Earned Surplus</td>
<td>$12,585,216.47</td>
</tr>
<tr>
<td>Total</td>
<td>$39,743,634.94</td>
</tr>
</tbody>
</table>

$46,703,654.43

INC., AND SUBSIDIARIES as at December 31, 1933 and the Statements of Consolidated Operations and Surplus fairly present, in accordance with tested accounting records of the Companies and other supporting evidence and obtained a general review of the accounting methods and of the operating and income accounts for

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

STATEMENT OF CONSOLIDATED OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1933

SALES — NET .................................................. $15,744,279.17

NET PROFIT FOR YEAR before deducting provision for depreciation and provision for losses not now ascertainable on accounts and notes receivable and inventories .............................................................. $ 171,237.00

Deduct:
Provision for Depreciation based on percentage of plant activity $ 619,145.64
Provision for Losses not now ascertainable on accounts and notes receivable and inventories...... 500,000.00 1,119,145.64

NET LOSS FOR YEAR ........................................ $ 947,908.64

STATEMENT OF CONSOLIDATED SURPLUS
AT DECEMBER 31, 1933

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Capital</th>
<th>Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>SURPLUS AT DECEMBER 31, 1932, per Published Accounts ..........</td>
<td>$41,489,507.93</td>
<td>$27,291,384.98</td>
<td>$14,198,122.95</td>
</tr>
<tr>
<td>Deduct:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Loss for 1933 per accompanying statement of operations ..........</td>
<td>$ 947,908.64</td>
<td>947,908.64</td>
<td></td>
</tr>
<tr>
<td>Cash dividends paid on Common Stock</td>
<td>664,997.84</td>
<td>664,997.84</td>
<td></td>
</tr>
<tr>
<td>Adjustment of Employees' Subscription Contracts including the issuance of 2,560 shares of Common Stock at $5 per share ................</td>
<td>14,869.49</td>
<td>14,869.49</td>
<td></td>
</tr>
<tr>
<td>Difference between Cost and Stated Value of $5 per share on 13,100 shares of Common Stock Purchased</td>
<td>144,200.00</td>
<td>144,200.00</td>
<td></td>
</tr>
<tr>
<td>Total Deductions:</td>
<td>$ 1,771,975.97</td>
<td>$159,069.49</td>
<td>$1,612,906.48</td>
</tr>
<tr>
<td>$39,717,531.96</td>
<td>$27,132,315.49</td>
<td>$12,585,216.47</td>
<td></td>
</tr>
</tbody>
</table>

Add: Difference between Stated Value of $5 per share and Contract Price on 1,730 shares of Common Stock sold to employees under option contracts ............ 26,102.98 26,102.98

SURPLUS AT DECEMBER 31, 1933 .................. $39,743,634.94 $27,158,418.47 $12,585,216.47
BOARD OF DIRECTORS

A. J. Brosseau, Chairman

F. B. Adams
W. A. Bradford
'I'. L. Chadbourne
Wm. E. Corey
H. W. Croft
W. R. Edson
E. C. Fink

R. E. Fulton
Charles Hayden
R. F. Hoyt
W. E. Reid
J. E. Savacool
W. Hinckle Smith
Andrew V. Stout
Albert H. Wiggin

EXECUTIVE COMMITTEE

A. J. Brosseau, Chairman

W. A. Bradford
T. L. Chadbourne
Wm. E. Corey

H. W. Croft
Charles Hayden
Albert H. Wiggin

TRANSFER AGENT OF STOCK

Guaranty Trust Company of New York, New York City

REGISTRAR OF STOCK

Bankers Trust Company, New York City

OFFICERS

A. J. Brosseau, ... President
R. E. Fulton, ... Vice President
E. C. Fink, ... Vice President
W. R. Edson, ... Vice President
J. E. Savacool, ... Vice, Pres. & Comptroller
C. W. Haseltine, ... Secretary-Treasurer
T. V. Homan, ... Asst. Sec. & Asst. Treas.
F. R. Harrison, ... Asst. Secretary
I. G. Hopkins, ... Asst. Treasurer
H. S. Conklin, ... Auditor
BRANCHES

AKRON, 0. Mack-International Motor Truck Corp. 105 Johnson Street
ALBANY, N.Y. Mack-International Motor Truck Corp. 415 Broadway
ALLENTOWN, PA. Mack-International Motor Truck Corp. 417 Spring Street, N. W.
ATLANTA, GA. Mack-International Motor Truck Corp. 411 E. 20th Street
BALTIMORE, MD. Mack-International Motor Truck Corp. 1210 E. 33rd Street
BOSTON (Allston), Mass. Mack Motor Truck Co., 72 No. Beacon Street
BRIWSPORT, Conn. Mack Motor Truck Co., 2240 Fairfield Avenue
BRIDGEPORT, PA. Mack-International Motor Truck Corp. 22 West Fourth Street
BRONX, N. Y. Mack-International Motor Truck Corp. 105 E. 172nd Street
BROOKLYN, N. Y. Mack-International Motor Truck Corp. 33 Empire Boulevard
BROWNSVILLE, Tex. Mack-International Motor Truck Corp. 1930 E. Jefferson Avenue
CAMDEN, N. J. Mack-International Motor Truck Corp. 1124 North 8th Street
CHARLOTTE, N. C. Mack-International Motor Truck Corp. 1302 South Mint Street
CHATTANOOGA, Tenn. Mack-International Motor Truck Corp. 1129 Fort Street
CHICAGO, Ill. Mack-International Motor Truck Corp. 23rd Street & Wentworth Avenue
CINCINNATI, O. Mack-International Motor Truck Corp. 1233 West 7th Street
Cleveland, Mack-International Motor Truck Corp. 1491 Carnegie Avenue
COLUMBUS, O. Mack-International Motor Truck Corp. 517 E. Broad Street
DALLAS, Tex. Mack-International Motor Truck Corp. 1500 E. Breyer Street
DAVENPORT, IOWA Mack-International Motor Truck Corp. 792 E. 2nd Street
DNEPER, COLO. Mack-International Motor Truck Corp. 200 Grant Street
DETROIT, MICH. Mack-International Motor Truck Corp. 5133 Grand River Avenue
ERIE, PA. Mack-International Motor Truck Corp. 12213 state street
FORT WORTH, Tex. Mack-International Motor Truck Corp. 610 W. Waco Avenue
PENSACOLA, FL. Mack-International Motor Truck Corp. 204 E. 25th Street
HARRISBURG, Pa. Mack-International Motor Truck Corp. 210 Fifth Street
HARTFORD, Conn. Mack-International Motor Truck Corp. 778 Windsor Avenue
HOLSEON, Tex. Mack-International Motor Truck Corp. 1116 Chestnut Street
HANNAH, Ind. Mack-International Motor Truck Corp. 730 East Washington Street
JACKSONVILLE, Fla. Mack-International Motor Truck Corp. 244 East Avenue
JERSEY CITY, N. J. Mack-International Motor Truck Corp. 994 East Avenue
KANSAS CITY, Mo. Mack-International Motor Truck Corp. 2610 Warwick Boulevard
LONG ISLAND CITY, N. Y. Mack-International Motor Truck Corp. 1215 36th Street
LOUISIANA, Pa. Mack-International Motor Truck Corp. 622 Chestnut Street
LOUISVILLE, Ky. Mack-International Motor Truck Corp. 994 Chestnut Street
MANCHESTER, N. H. Mack Motor Truck Co. 252 Chestnut Street
MEMPHIS, Tenn. Mack-International Motor Truck Corp. 1550 Jefferson Avenue
MÉRIGNAC, Cal. Mack-International Motor Truck Corp. 1430 Avenue Charente
MINNEAPOLIS, Minn. Mack-International Motor Truck Corp. 1195 University Avenue
MILWAUKEE, Wis. Mack-International Motor Truck Corp. 1023 South Canal Street
MONTREAL, Que. Mack-International Motor Truck Corp. 2550 University Avenue
NEWMARK, N. J. Mack-International Motor Truck Corp. 1105 Holton Boulevard
NEW ORLEANS, La. Mack-International Motor Truck Corp. 1190 So. Des Allemands Boulevard
NEW YORK, N. Y. Mack-International Motor Truck Corp. 641 E. 24th Street
NEW YORK, N. Y. Mack-International Motor Truck Corp. 610 W. Waco Avenue
NORFOLK, Va. Mack-International Motor Truck Corp. 204 W. 26th Street
OKLAHOMA CITY, Okla. Mack-International Motor Truck Corp. 1301 East Main Street
OMAHA, Neb. Mack-International Motor Truck Corp. 1301 East Main Street
PATERSON, N. J. Mack-International Motor Truck Corp. 2702 Park Avenue
PITTSBURGH, Pa. Mack-International Motor Truck Corp. 360 Liberty Avenue
PORTLAND, Me. Mack Motor Truck Co. 152 Forest Street
RICHMOND, Va. Mack-International Motor Truck Corp. 1525 Main Street
ROCHESTER, N. Y. Mack-International Motor Truck Corp. 251 East Avenue
ROCHESTER, N. Y. Mack-International Motor Truck Corp. 1200 South Main Street
SAN FRANCISCO, Calif. Mack-International Motor Truck Corp. 1100 E. Howard Street
SCRANTON, Pa. Mack-International Motor Truck Corp. 1510 E. 33rd Street
SEATTLE, Wash. Mack-International Motor Truck Corp. 701 Ninth Avenue North
SPRINGFIELD, Mass. Mack Motor Truck Corp. 1236 B Street
SYRACUSE, N. Y. Mack-International Motor Truck Corp. 29th West Genesee Street
TAMPA, Fla. Mack-International Motor Truck Corp. 1124 7th Street
TOLEDO, Ohio Mack-International Motor Truck Corp. 2306 Monroe Street
TULSA, Okla. Mack-International Motor Truck Corp. 202 South Central Avenue
UTICA, N. Y. Mack-International Motor Truck Corp. 1551 North Genesee Street
WASHINGTON, D. C. Mack-International Motor Truck Corp. 701 E. 10th Street
WATERBURY, Conn. Mack Motor Truck Co. 124 North Main Street
WHITE PLAINS, N. Y. Mack-International Motor Truck Corp. 141 So. Halsted Avenue
WILKES-BARRE, Pa. Mack-International Motor Truck Corp. 224 Carver Avenue
Worcester, Mass. Mack Motor Truck Co. 396 Belmont Street

FOREIGN DEALERS

ARGENTINE Buenos Aires Tomas y Cia
COLOMBA Bogota C. y Compania y Cia Educado y Comp.
HAWAI Honolulu The von Hahn Young Co., Ltd.
PALESTINE Tel Aviv Elkon Bros.
PERU Lima Vulcan Iron Works, Ltd.
PORTO RICO San Juan Adrian Nelson

W. T. STEVENS, INC.
25 BROADWAY
NEW YORK CITY, N. Y.
Handling following countries:
Africa Australia
Asia Burma,
Ceylon

Federated Malay States
India
Java
New Zealand
Slia
Strait Settlements
Sumatra