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

December 31, 1934
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and
Consolidated Balance Sheet
of
MACK TRU CKS, INC.
and Subsidiary Companies

December 31, 1934
BOARD OF DIRECTORS

A. J. Brosseau, Chairman

'I'. I. Chadbourne
H. W. Croft
W. R. Edson
E. C. Fink
R. E. Fulton
Charles Hayden

E. R. Hewitt
R. F. Hoyt
W. E. Reid
W. D. Sargent
J. E. Savacool
W. Hinckle Smith
Andrew V. Stout

EXECUTIVE COMMITTEE

A. J. Brosseau, Chairman

H. W. Croft
Charles Hayden
'I'. I. Chadbourne
R. F. Hoyt

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
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 31st, 1934.

Net Sales, as shown on the attached statement of operations, amounted to $18,346,221.64, as compared with $15,744,279.17 for the year 1933.

Net Operating Profit for the year is $1,020,817.17, before providing for depreciation, maintenance and repairs in the amount of $1,570,896.54. Other Net Income for the year amounted to $583,427.98. Estimated Federal Income Taxes are $16,215.00. Net Income for the year is $17,133.61. This compares with a net loss of $947,908.64 in 1933.

Net Current Assets and Sundry Investments at December 31st, 1934 amounted to $22,694,839.78. At December 31st, 1933 the Net Current Assets amounted to $23,073,765.63, and Sundry Investments, comparable to those of 1934, amounted to $821,191.72, or a total of these two items of $23,894,957.35.

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

During the year quarterly dividends were paid on common stock at the rate of 25 cents per quarter, amounting for the year to $649,806.84.

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.

During the year 40,000 shares of Company stock were purchased. On December 31st, 1933 there were in the Treasury 8,810 shares as shown in the last Annual Report, making a total of 48,810 shares held in the Treasury on December 31st, 1934. Since January 1st, 1935 to the date of this report there have been acquired 8,300 additional shares, making an aggregate of 57,110 shares now held in the Treasury, and a resolution to retire all of these shares by vote of the stockholders will be submitted at the Annual Meeting to be held March 27th, 1935.

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.

I wish to commend the officers and employees for the able manner in which they have performed their duties.

FOR THE DIRECTORS
A. J. Brosseau
President.

New York City
February 13th, 1935
### ASSETS

#### CURRENT ASSETS:

- **Cash** .................................................. $3,016,110.03
- **Marketable Securities — At Cost (Market Value $2,033,750.00)** .................................. 2,046,057.94
- **Investments maturing in 1935 — Face Amount** ........................................... 300,000.00
- **Accounts Receivable (less Reserve $13,318.38)** ........................................... 1,935,877.95
- **Instalments Receivable (a) (less Reserve* $5,149,894.70)** .................................. 7,595,529.29
- **Inventories (less Reserve* $382,002.59) valued at the lower of cost or market** ........ 8,484,421.41

Total Current Assets ........................................... $23,377,996.62

#### SUNDARY INVESTMENTS — At Cost .................................................. 1,100,501.55

Total Current Assets and Sundry Investments ........................................... $24,478,498.17

#### FIXED ASSETS — At Cost:

- **Real Estate** ........................................... $1,756,903.16
- **Buildings and Building Equipment** ........................................... $13,724,850.73
- **Machinery and All Other Equipment** ........................................... 19,536,183.53

$33,261,034.26

Less: **Reserve for Depreciation** ........................................... 18,972,713.96 14,288,320.30 16,045,223.46

#### DEPOSITS IN CLOSED BANKS (less Reserve* $34,214.67) ........................................... 67,117.67

#### DEFERRED CHARGES (Prepaid Taxes, Insurance Premiums, etc.) ................................ 280,078.45

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

$43,309,282.69

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* Transferred from Reserve for Losses Not Now Assessable

(a) Installments Receivable are secured by chattel mortgage and include installments due beyond December 31, 1934.
AND SUBSIDIARIES

Balance Sheet at December 31, 1934

LIABILITIES & CAPITAL

CURRENT LIABILITIES:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drafts Payable</td>
<td>$87,962.45</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$711,264.04</td>
</tr>
<tr>
<td>Accrued Accounts (Taxes except Federal Income, Commissions, Insurance, etc.)</td>
<td>$949,025.27</td>
</tr>
<tr>
<td>Customers' Deposits</td>
<td>$19,191.63</td>
</tr>
<tr>
<td>Estimated Federal Income Tax for 1934</td>
<td>$16,215.00</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>$1,783,658.39</td>
</tr>
</tbody>
</table>

EQUITY OF MINORITY STOCKHOLDERS IN SUBSIDIARIES                            | 2,071.30 |

CAPITAL, STOCK:

<table>
<thead>
<tr>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common, No Par Value—</td>
</tr>
<tr>
<td>Authorized</td>
</tr>
<tr>
<td>Issued and Outstanding</td>
</tr>
<tr>
<td>Less: In Treasury</td>
</tr>
<tr>
<td>627,335 Stated at $5 per share</td>
</tr>
</tbody>
</table>

SURPLUS (Per accompanying statement):

<table>
<thead>
<tr>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Surplus Paid-In</td>
</tr>
<tr>
<td>Earned Surplus</td>
</tr>
<tr>
<td>38,386,878.00</td>
</tr>
</tbody>
</table>

$43,309,282.69

As explained in Auditors' Report.

Sales, conditional sales agreements, leases and agreements for 1935.
MACK TRUCKS, INC., AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1934

SALES — NET .................................................... $18,346,221.64

NET OPERATING PROFIT FOR YEAR BEFORE DEDUCTING
MAINTENANCE AND REPAIRS AND PROVISION FOR
DEPRECIATION .................................................. $ 1,020,817.17

Deduct:
Maintenance and Repairs ........................................ $ 810,399.59
 Provision for Depreciation ......................................... 760,496.95 1,570,896.54

NET OPERATING LOSS FOR YEAR $ 550,079.37

Deduct:
Other Income — Net—
Interest on Installments Receivable .......................... $ 481,349.24
Interest and Dividends on Marketable
Securities and Investments ........................................ 109,931.01

Less: Other Deductions — % .................................. 7,852.27 583,427.98

NET INCOME FOR YEAR BEFORE ESTIMATED
FEDERAL INCOME TAX ........................................... $ 33,348.61

Deduct: Estimated Federal Income Tax ........................ 16,215.00

NET INCOME FOR YEAR ........................................... $ 17,133.61

STATEMENT OF CONSOLIDATED SURPLUS

SURPLUS AT DECEMBER 31, 1933, per Published Accounts $39,743,634.94 $27,158,418.47 $12,585,216.47

Add:
Net Income for Year, per accompanying statement of operations $ 17,133.61 $ 17,133.61
Excess of net assets of subsidiary acquired during 1934 over cost thereof 49,033.79 49,033.79

$66,167.40 $49,033.79 $17,133.61

$39,809,802.34 $27,207,452.26 $12,602,350.08

Deduct:
Cash Dividends Paid on Common Stock $ 649,806.84 $ 649,806.84
Difference between cost and stated value of $5 per share on 40,000 shares of Common Stock Purchased (The difference between cost and stated value of $5 per share on the balance of 8,810 shares in Treasury was adjusted prior to December 31, 1933) 773,117.50 773,117.50

$1,422,924.34 $773,117.50 $649,806.84

$38,386,878.00 $26,434,334.76 $11,952,543.24
To THE BOARD OF DIRECTORS AND STOCKHOLDERS,
MACK TRUCKS, INC.,
New York.

We have made an examination of the Consolidated Balance Sheet of MACK TRUCKS, INC., AND SUBSIDIARIES as at December 31, 1934 and of the Statements of Consolidated Operations and Surplus for the year 1934. In connection therewith we examined or tested accounting records of the Companies and other supporting evidence and obtained information and explanations from officers and employees of the Companies. We did not examine the accounting records at ‘branch offices but did inspect reports submitted by them. We also inspected reports of examinations made by the internal audit staff throughout the year. We made a general review of the accounting methods and of the operating and income accounts for the year but we did not make a detailed audit of the transactions.

We have relied on certificates from responsible officials of the Companies as to the quantities and condition of the inventories.

Federal Income Tax Returns filed for the years 1930 to 1933 inclusive are subject to final determination by the Internal Revenue Department.

The “Reserve For Loses Not Now Ascertainable” at December 31, 1933 was charged during the year of 1934 with realized losses in the amount of $920,674.50. The balance remaining in the reserve has been applied to the specific asset classifications indicated in the attached balance sheet.

The provision for depreciation for the year 1934 was $760,496.95 and for the year 1933 $619,145.64. The 1934 provision is based upon substantially the same rates as in previous years, adjusted as in previous years, for certain classes of manufacturing assets, by the ratio that actual production bears to estimates of normal production.

In our opinion, based upon such examination, the accompanying Consolidated Balance Sheet and related Consolidated Statements of Operations and Surplus, including the notations thereon, fairly present, in accordance with accepted principles of accounting consistently maintained by the Companies during the period under review, their consolidated financial position at December 31, 1934 and the results of their operations for the year then ended.


(Signed)

ARTHUR YOUNG & COMPANY
BRANCHES

AKRON, O. Mack-International Motor Truck Corp. 606 East Main Street

ALBANY, N. Y. Mack-International Motor Truck Corp. 1114 Broadway

ALLENTOWN, PA. Mack-International Motor Truck Corp.

ATLANTA, GA. Mack-International Motor Truck Corp. 300 Peachtree Street, N. E.

BALTIMORE, MD. Mack-International Motor Truck Corp. 1210 E. 23rd Street

BOSTON (Allston), MA. Mack Motor Truck Co. 492 No. Beacon Street

BRIDGEPORT, CT. Mack Motor Truck Corp. 2240 Fairfield Avenue

BRIDGEPORT, PA. Mack-International Motor Truck Corp. 800 Government Street

BROOKLYN, N. Y. Mack-International Motor Truck Corp. 72 Empire Boulevard

BUFFALO, N. Y. Mack-International Motor Truck Corp. 737 Jefferson Avenue

CAMDEN, N. J. Mack-International Motor Truck Corp. Jefferson Avenue & Sixth Street

CHARLOTTE, NC. Mack-International Motor Truck Corp. 1000 South Mint Street

CHICAGO, IL. Mack-International Motor Truck Corp. 901 McAdoo Avenue

CHICAGO, III. Mack-International Motor Truck Corp. 1501 St. James Street, West

CINCINNATI, 0. Mack-International Motor Truck Corp. 1223 West 6th Street

CLEVELAND, O. Mack-International Motor Truck Corp. 701 Carnegie Avenue

COLUMBUS, 0. Mack-International Motor Truck Corp. 517 N. Park Avenue

DALLAS, TEX. Mack-International Motor Truck Corp. 725 S. Elrey Street

Davenport, IOWA. Mack-International Motor Truck Corp. 732 West First Street

DENVER, COLO. Mack-International Motor Truck Corp. 725 California Street

DETOUR, MICH. Mack-International Motor Truck Corp. 5133 Grand River Avenue

Erie, PA. Mack-International Motor Truck Corp.

FORT WORTH, TEX. Mack-International Motor Truck Corp. 205 W. Weatherford Street

FRESNO, CAL. Mack-International Motor Truck Corp. 1625 "H" Street

HARRISBURG, PA. Mack-International Motor Truck Corp. 724 South Cameron Street

HARTFORD, CONN. Mack Motor Truck Co. 709 Windsor Street

HOUSTON, TEX. Mack-International Motor Truck Corp. 1116 Chenevert Street

INDIANAPOLIS, IND. Mack-International Motor Truck Corp. 731 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. 2605 Warwick Boulevard

LONG ISLAND CITY, N. Y. Mack-International Motor Truck Corp. 34th Street

MADISON, WIS. Mack-International Motor Truck Corp. 709 Jefferson Avenue

MEMPHIS, TENN. Mack-International Motor Truck Corp. 1100 Union Avenue

MINNEAPOLIS (Twin City), MINN. Mack-International Motor Truck Corp. 220 South Sixteenth Street

NASHVILLE, TENN. Mack-International Motor Truck Corp. 55 Main Street

NEW BEDFORD, MASS. Mack Motor Truck Co. 1289 State Street

NEW ORLEANS, LA. Mack-International Motor Truck Corp. 1100 So. Jefferson Davis Parkway

NEW YORK, N. Y. Mack-International Motor Truck Corp. 1400 6th Street and West End Avenue

NORFOLK, VA. Mack-International Motor Truck Corp. 201 West 29th Street

OKLAHOMA CITY, OKLA. Mack-International Motor Truck Corp. 3 East Tenth Street

OMAHA, NEBR. Mack-International Motor Truck Corp. 1037 Farnam Street

PORTLAND, ME. Mack Motor Truck Co. 1501 St. James Street, West

PORTLAND, ORE. Mack-International Motor Truck Corp. 79 N. E. Oregon Street

POUGHKEEPSIE, N. Y. Mack-International Motor Truck Corp. 305 Main Street

PROVIDENCE, R. I. Mack Motor Truck Co. 865 Broadway

READING, PA. Mack-International Motor Truck Corp. 1112 North Broad Street

RICHMOND, VA. Mack-International Motor Truck Corp. 1212 West Broad Street

RICHMOND, VA. Mack Motor Truck Co. 1200 North Boulevard

ROCHESTER, N. Y. Mack-International Motor Truck Corp. 1357 University Avenue

Sacramento, CAL. Mack-International Motor Truck Corp. 3124 Folsom Boulevard

St. Louis, MO. Mack-International Motor Truck Corp. 1710 St. Louis Avenue

SALT LAKE CITY, UTAH. Mack-International Motor Truck Corp. 701 South Main Street

SAN FRANCISCO, CAL. Mack-International Motor Truck Corp. 1100 6th & Howard Streets

SCRANTON, PA. Mack-International Motor Truck Corp. 1710 2nd Avenue

SEATTLE, WASH. Mack-International Motor Truck Corp. 701 Ninth Avenue North

SPRINGFIELD, MA. Mack Motor Truck Co. 1128 State Street

SYRACUSE, N. Y. Mack-International Motor Truck Corp. 923 West Genesee Street

TAMPA, FLA. Mack-International Motor Truck Corp. 1712 Platt Street

TOLEDO, OHIO Mack-International Motor Truck Corp. 2136 Monroe Street

TULSA, OKLA. Mack-International Motor Truck Corp. 1922 South Couch Avenue

UTICA, N. Y. Mack-International Motor Truck Corp. 111 North Genesee Street

WATERBURY, CONN. Mack Motor Truck Co. 714 So. Main Street

WHITE PLAINS, N. Y. Mack-International Motor Truck Corp. 111 So. Kensico Avenue

WILKES-BARRE, PA. Mack-International Motor Truck Corp. 204 Century Avenue

WORCESTER, MASS. Mack Motor Truck Co. 356 Belmont Street

FOREIGN DEALERS

COLOMBIA
Bogota
C. Pradilla y CIA
Medellin
R. E. Retrepo & Company

HAWAII
Honolulu
The Von Hamm Young Co., Ltd.

PALESTINE
Tel Aviv
Elkin Bros.

PERU
Lima
Vulcan Iron Works Co., Ltd.

PORTO RICO
San Juan
Adrian Nelson

W. T. STEVENS, INC. 25 BROADWAY NEW YORK CITY, N. Y.
Handling following countries:
Africa
Australia
Borneo
Burma
Ceylon
Far East
Federated Malay States
India
Java
New Zealand
Stiam
Strait Settlements
Sumatra