

Sulzberger & Sons Co.

U. S. A.

FINANCIAL STATEMENT

DECEMBER 25th, 1915

AUDITORS' CERTIFICATE

New York, March 6, 1916.

We have examined the books and accounts of Sulzberger & Sons Company, The Sulzberger & Sons Company of America and Schwarzschild & Sulzberger Company of Louisiana, as of December 25, 1915, and we find that the annexed balance sheet has been correctly prepared therefrom.

We have also examined the books of the remaining subsidiary companies in America and have had produced to us audited statements of the subsidiary companies in Europe.

The plants have been appraised during the year and the depreciated values shown by the appraisal being substantially in excess of the book values no charge for depreciation has been made against operations for the year; the property accounts have not been increased in respect of the excess shown on appraisal, this excess having been applied in reduction of the goodwill included therein.

We certify that in our opinion the balance sheet together with the foot-note thereto shows the true financial position of the company and its subsidiary companies as at December 25, 1915.

(Signed) Price, Waterhouse & Co.

SULZBERGER & SONS COMPANY

BALANCE SHEET

December 25, 1915.

ASSETS

Property Accounts	\$25,899,709.10	
Less—Mortgages payable and purchase money obligations.....	29,500.00	
		\$25,870,209.10
Investments in Subsidiary and Affiliated Companies:		
Subsidiary companies wholly owned	\$ 8,408,689.35	
Companies controlled and affiliated but not wholly owned	1,414,064.76	
		9,822,754.11
Merchandise on hand, in transit and Consigned		13,057,142.83
Accounts and Bills Receivable:		
Trade	\$ 5,334,716.78	
Subsidiary Companies	1,746,560.12	
		7,081,276.90
Mortgage and Investment Securities		120,696.87
Cash		4,099,300.53
Insurance, Interest and Discount Prepaid		230,603.61
		<u>\$60,281,983.95</u>

LIABILITIES

Capital Stock Outstanding:		
Common	\$20,000,000.00	
Preferred	9,706,200.00	
		\$29,706,200.00
Sinking Fund Reserve for Redemption of Preferred Stock		3,699.75
Debenture Notes Due		
June 1, 1916	\$ 8,100,000.00	
Less—Held in Treasury	1,000.00	
		8,099,000.00
Accrued Interest on Debenture Notes		95,013.60
Bills Payable		14,514,500.00
Accounts Payable and other Liabilities		1,033,357.68
Surplus:		
Balance December 26, 1914	\$ 5,050,329.97	
Add—Profits for the the year ending December 25, 1915.....	2,463,732.20	
	\$ 7,514,062.17	
Deduct—Dividends paid on Preferred Stock	683,849.25	
		<u>6,830,212.92</u>
		\$60,281,983.95

NOTE: This balance sheet, like those of previous years, does not include the quick assets and current liabilities of all subsidiary companies except as reflected in investments and accounts receivable from subsidiary companies. Their inclusion would add \$4,567,959.37 of accounts and bills payable (most of the latter endorsed or guaranteed by the parent Company) against which there would be \$5,528,886.67 additional quick assets.