

UNITED CIGARETTE MACHINE COMPANY, Inc.  
(A Virginia Corporation)

Authorized Capital, 750,000 shares Common Stock.  
Outstanding,--- 471,509 " " "  
In Treasury,--- 278,491 " " "  
Par Value, \$5.00

The above constitutes the entire capitalization of  
the Company, there being no Preferred Stock or Bonds.

History

The business was first incorporated under the laws of the State of Virginia, by Mr. James H. Bonsack and some associates, to manufacture and sell a machine for the making of cigarettes. Mr. Bonsack was the inventor of the machine and had secured basic patents thereon. The original charter which was obtained in the year 1881, was in the name of The Bonsack Machine Company, with a capital of \$50,000. Headquarters of the Company were established at Lynchburg, Va., where they have ever since been maintained. The increasing consumption of cigarettes was just at that time, beginning to attract the attention of tobacco manufacturers, and as the "Bonsack" was the first dependable cigarette making machine in the field, orders for same were secured promptly and the enterprise was at once a success. Dividends were initiated the following year, (1882) and with its large profits, the company was able to expand its business rapidly. Other than the original \$50,000, no cash capital has ever been sold, and in addition to regular cash dividends each year, many stock dividends have been declared from time to time.

Foreign Branch About the year 1900, the growing business of the Bonsack Machine Company had reached the point where its officers felt warranted in establishing a branch factory in Europe. Accordingly a subsidiary corporation was chartered under the laws of Great Britain, in the name of The United Cigarette Machine Company, Limited, with its main office in London, but on account of cheaper labor conditions and better distribution facilities on the Continent, the factory was built at Dresden, Germany. Here the business experienced uninterrupted prosperity until the outbreak of the war in 1914, when the plant was taken over by the German Government. Operations were continued, but all cash remittances to the home office in the United States were cut off. While the Dresden plant was thus situated, its size was more than doubled out of its current profits entirely, and permission was obtained to purchase 1300 shares of German held Canadian Pacific Railway stock, dividends on which were withheld until the present year, when over \$120,000. thus accumulated, were paid over to the company in the United States. With the incorporation of the United Cigarette Machine Company, Limited, in 1900, the factory operations in the United States, were taken over by that company, and the old Bonsack Machine Company became a holding company, owning about 77% of the former's capital stock, the balance being held in England.

New Charter On account of the very heavy taxes imposed by the British Government in consequence of the war, the company decided to surrender its charter in Great Britain. This was done in 1916, and a new charter was obtained in the United States, under the laws of the State of Virginia, and at the same time the old Bonsack Machine Company charter was discontinued, the stockholders in the latter exchanging for shares in the former Co.