



Annual Report

1875-1950

Seventy-Fifth Anniversary

B U L O V A W A T C H C O M P A N Y



WOODSIDE, L. I., N. Y.
Watch Movements

WOODSIDE, L. I., N. Y.
Watch Movements



PROVIDENCE, R. I.
Watch Cases



WALTHAM, MASS.
Watch Assembly



BIEL, SWITZERLAND
Watch Movements

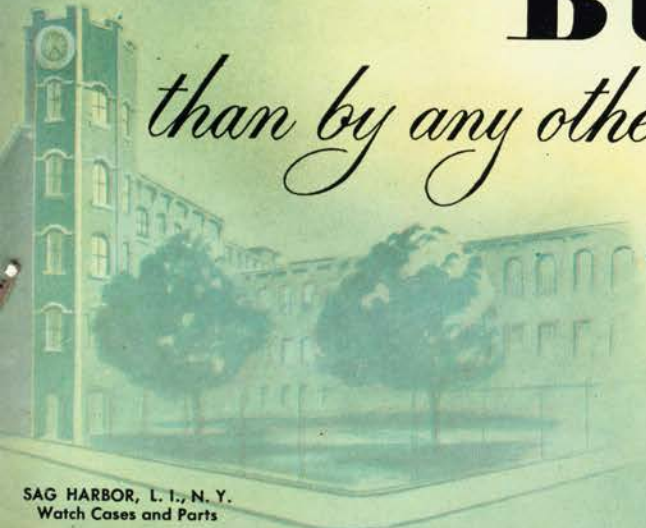


VALLEY STREAM, L. I., N. Y.
Watch Parts

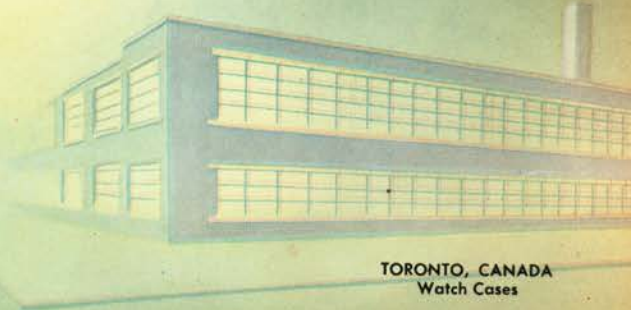
More Americans tell time by

BULOVA

than by any other fine watch in the world



SAG HARBOR, L. I., N. Y.
Watch Cases and Parts



TORONTO, CANADA
Watch Cases



Joseph Bulova—1851-1935

His were the ideals, the ambition, the ability and the courage of the pioneer. On the bedrock of intelligent, honest service, he built this enterprise, and on that basis has flourished the organization his genius conceived.

What's in a
NAME

A name is more than a means of identification—it's a symbol for the way the years have been spent.

It's a heritage, a legacy, an institution, an inspiration!

It's built through the loyalty and careful, patient toil of thousands and thousands of skilled craftsmen . . . through research, study and experiments by generations of the world's outstanding scientists—by years of intelligent, wholehearted cooperation of associates.

What's in a name! In every great name—it's the spirit behind it—the constant striving for perfection—the desire to succeed, yes, but much more important, the desire to leave behind something better than was ever before achieved!

It's the pride in dealing fairly, honestly, intelligently—pride in making this world, in a very small way, a better place in which to live.

It's a mirror that reflects the years—a mirror that is kept shining and resplendent only through loyalty to ideals—through determination to see that what has been *achieved*, will be *maintained*—and will flourish through the years.

BULOVA

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1875
1950



ARDE BULOVA
Chairman of the Board



JOHN H. BALLARD
President

BULOVA WATCH COMPANY, INC.

BOARD OF DIRECTORS

ARDE BULOVA
HARRY D. HENSHEL

BEARDSLEY RUMI

JOHN H. BALLARD
EMILY B. HENSHEL

OFFICERS

ARDE BULOVA
Chairman of the Board
HARRY D. HENSHEL
Vice President and Secretary
EMIL E. FACHON
Vice President

JOHN H. BALLARD
President
RAYMOND F. WARREN
Vice President and Assistant Secretary
DAVID C. STAMBAUGH
Vice President

SAMUEL P. EPSTEIN
Executive Vice President
JOSEPH KANE
Vice President
ABRAHAM CARNOW
Treasurer and Assistant Secretary

Executive Offices, 630 Fifth Avenue, New York



ROBERT E. DAY
President (Canada)

BULOVA WATCH COMPANY OF CANADA, Ltd.

BOARD OF DIRECTORS

ARDE BULOVA
ROBERT E. DAY
R. DOUGLAS JENNINGS
JOHN H. BALLARD
HARRY D. HENSHEL

OFFICERS

JOHN H. BALLARD
Chairman of the Board
ROBERT E. DAY
President
ABRAHAM CARNOW
Treasurer
HARRY D. HENSHEL
Vice President
MURIEL McCULLUM
Secretary

Executive Offices, Sterling Tower, Toronto



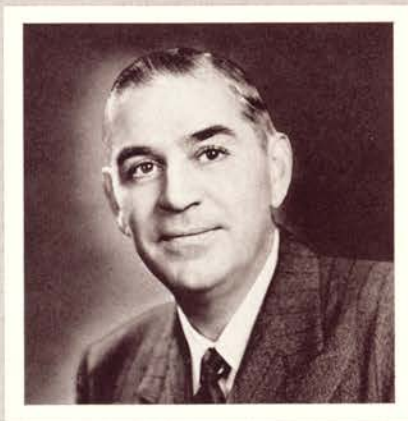
HARRY D. HENSHEL
Vice President and Secretary



SAMUEL P. EPSTEIN
Executive Vice President



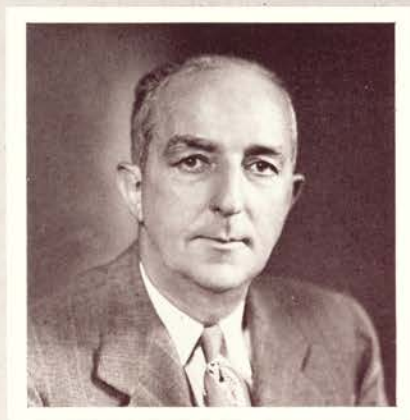
EMIL E. FACHON
Vice President



RAYMOND F. WARREN
Vice President and Assistant Secretary



JOSEPH KANE
Vice President



DAVID C. STAMBAUGH
Vice President



ABRAHAM CARNOW
Treasurer and Assistant Secretary

The President's Report

June 27, 1950

This year the Bulova Watch Company is celebrating its 75th anniversary. Never was your company in sounder condition; never did it have a better product or a more imaginative program for the future.

Our net profit for the fiscal year ended March 31, 1950, (before all taxes) amounted to \$6,319,225.

After taxes were deducted, our net profit was \$3,568,472.

Earnings per share of Bulova Watch Company stock were \$5.49.

Dividends paid out were \$1,937,272. The undistributed balance of our net earnings, in accordance with your company's established policy, has been retained for a program of carefully considered expansion.

These figures offer forceful evidence of your company's well-being. But figures cannot evaluate some of the most precious assets your company possesses — its reputation; its 75 years of experience; its uninterrupted growth; the production of unexcelled time-pieces, year after year, at popular prices; the record of respect from retailers and good-will from the public.

Since the day Joseph Bulova established a small manufacturing concern in the city of New York, seventy-five years ago, your company has played a leading role in the watch-making industry. It was one of the first to introduce standardized and interchangeable parts. It was one of the first to design and engineer many incredibly complicated precision machines. We have developed manufacturing facilities and techniques as fine as any in the world. We have built a research laboratory which is fully equipped and expertly staffed. We are developing new and better methods of making time-pieces; we are using new metals and better machines, new materials and ingenious tools.

Your company's leadership has been equally pronounced, we believe, in other areas of modern production — advertising, merchandising, promotion. The Bulova Watch Company pioneered year-round advertising, in a program designed to show the public that a watch was a necessity, not a luxury, a useful instrument, not merely a "gift item." Your company was the first to use radio advertising, at a time when radio was young and its power uncertain. And when television was introduced, it was a Bulova announcement which was the first advertisement to be broadcast in the United States.

During the past year, business conditions throughout the nation completed the change from a sellers' to a buyers' market. Competition, as expected, was more intense. The entire watch-making industry was confronted with the sudden sale of off-brand, over-stocked, or distress merchandise, thrown upon the market and sold through department stores at low prices by "non-advertised" importers who had grown up during the war. We can all take just pride in the fact that your company's sales and profits held up extremely well under the pressure of this abnormal and impermanent competition. That it did so was a tribute to the quality of our product, the wisdom of our sales and advertising policies, and the prestige of the Bulova name.

In 1950, the Bulova Watch Company exercised significant leadership in the movement to reduce, at long last, those unjust and discriminatory excise taxes with which our industry was burdened during and ever since the war. Mr. Arde Bulova, chairman of your Board, played a leading role in organizing the executives of 26 American industries, including the jewelry industry, into a National Committee for the Repeal of War-time Excise Taxes. This Committee made a lasting impression upon Congress and the public; it performed a public service by exposing the fallacies and contradictions of the excise tax. Corrective legislation is now before the Congress. It is our hope, shared by other industries and the great body of American consumers, that war-time excise taxes will be either eliminated or radically reduced.

What is the outlook for 1951? Our sales organization has been enlarged. Our advertising and promotion departments have been expanded. The Bulova line of watches has been restyled; new and striking models are in the process of development. We have made significant improvements in production techniques.

The welfare of any organization, in the long run, rests upon the skill, the judgment, and the imagination of all those who are part of it. We believe that the Bulova organization was never in better condition. We can look forward with confidence to continued growth, prestige, and success.

It is with genuine pride, therefore, that I submit this consolidated balance sheet of your company and its subsidiaries.

Respectfully submitted,

John H. Ballard
President



Bulova Watch Company, Inc.

CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT:

Cash in banks, in transit, and on hand	\$ 4,332,159
U. S. Government and Commonwealth of Pennsylvania Securities—at cost	3,106,906
(Market Value \$3,131,746)	
Accounts and Notes Receivable:	
Customers:	
Accounts	\$6,125,353
Notes	2,841,706
Total	\$8,967,059
Less — Reserve for Doubtful Accounts and Notes	500,345
Net	8,466,714
Other	388,971
Inventories — at cost or less	11,699,709
TOTAL CURRENT ASSETS	\$27,994,459

OTHER ASSETS:

Cash Surrender Value of Insurance on Life of Officer	\$ 224,245
Sundry Notes and Accounts Receivable	324,629
Investment in Affiliated Company (51% owned) — at cost	360,000
(Equity in net assets per books \$428,524)	
Due from Officers and Employees under Stock Purchase Plan	837,652 (Note A)
Capital Stock held for resale to Employees — at cost	357,247
(10,373 shares — Market Value \$339,716)	
Refunds due from U. S. and Canadian Governments	178,010
TOTAL OTHER ASSETS	2,281,783

PLANT PROPERTY — At Cost:

Land, Buildings, and Improvements	\$1,000,538
Machinery and Equipment	2,252,056
Furniture, Fixtures, and Leasehold Improvements	494,500

Total	\$3,747,094
Less — Reserves for Depreciation and Amortization	2,152,980

Net	1,594,114
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REAL ESTATE — LAND	1,668,744
PREPAID AND DEFERRED CHARGES	66,020

Total	\$33,605,120
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NOTES —

- A—The amount of \$837,652 due from Officers and Employees under a stock purchase plan is secured by 24,462 shares of the company's capital stock, having a market value of \$801,131 at March 31, 1950.
- B—The consolidated balance sheet includes assets located in Switzerland, of \$2,016,418 (of which current assets amount to \$1,660,744) as well as liabilities of \$846,726. There are also included assets located in Canada of \$2,092,685 (of which current assets amount to \$1,970,005) as well as liabilities of \$249,708.

and Wholly Owned Subsidiary Companies

MARCH 31, 1950

LIABILITIES

CURRENT:

Accounts Payable	\$2,705,792
Accrued Salaries, Wages, Commissions, and Expenses	1,247,080
Accrued Domestic and Foreign Taxes	\$2,895,856
Less — U. S. Treasury Savings Notes	<u>2,103,560</u>
	<u>792,296</u>
TOTAL CURRENT LIABILITIES	\$ 4,745,168
GENERAL RESERVES	270,000

CAPITAL STOCK AND SURPLUS

CAPITAL STOCK:

Common Stock \$5 par value:

Authorized — 1,000,000 shares	
Outstanding — 649,762 shares	\$3,248,810
CAPITAL SURPLUS	1,463,270
EARNED SURPLUS	<u>23,877,872</u>
TOTAL CAPITAL STOCK AND SURPLUS	<u>28,589,952</u>
TOTAL	<u>\$33,605,120</u>

NOTES —

- C — The current assets and liabilities of the Swiss branch and of the Canadian subsidiaries have been converted into U. S. dollars at the official rates of exchange. The non-current assets were converted at rates of exchange prevailing at dates of acquisition.
- D — The income tax liabilities for fiscal years ended prior to April 1, 1946 have been settled and, in the opinion of the management, adequate provision has been made for possible additional income taxes for subsequent years.



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1950

Bulova Watch Company, Inc. *and Wholly Owned Subsidiary Companies*

CONDENSED CONSOLIDATED STATEMENT OF INCOME AND EARNED SURPLUS FOR THE YEAR ENDED MARCH 31, 1950

GROSS PROFIT FROM SALES	\$19,365,914
SELLING EXPENSES	\$9,441,880
GENERAL AND ADMINISTRATIVE EXPENSES	1,795,309
	11,237,189
PROFIT FROM OPERATIONS (after deducting \$270,337 for depreciation, and amortization)	\$ 8,128,725
INCOME CREDITS:	
Interest Earned	\$ 109,227
Discounts on Purchases	51,822
Dividend from Affiliated Company	26,775
	187,824
GROSS INCOME	\$ 8,316,549
INCOME CHARGES:	
Discounts allowed Customers	\$ 636,260
Provision for Doubtful Accounts	242,795
United States and Canadian Income Taxes	2,112,054
Social Security Taxes	300,779
Other Taxes	337,920
Interest Paid	11,178
Contributions to Employees' Retirement Plans	850,173
Contributions to Charities	256,918
	4,748,077
NET INCOME FOR THE YEAR ENDED MARCH 31, 1950	\$ 3,568,472
Deduct—Dividends Paid—\$3.00 per share	1,937,272
	\$ 1,631,200
EARNED SURPLUS—April 1, 1949	22,271,167
Add— Excess provision previously set up for expenses on cash de- posits blocked by the Swiss government, less resulting taxes thereon	145,342
	\$24,047,709
Deduct—Provision for loss resulting from devaluation on September 20, 1949 of the Canadian currency	\$ 125,380
—Loss on sale of capital stock to Employees	44,457
	169,837
EARNED SURPLUS—March 31, 1950	\$23,877,872

NOTES—

A—The results of the Swiss branch and of the Canadian subsidiaries have been converted into U. S. dollars at the March 31, 1950 prevailing official rates of exchange, except that charges for depreciation of plant properties were computed at the U. S. dollar cost prevailing at dates of acquisition.

B—The income taxes are subject to final determination by the United States and Canadian Governments.

Accountants' Certificate

TO THE BOARD OF DIRECTORS
BULOVA WATCH COMPANY, INC.

WE have examined the consolidated balance sheet of Bulova Watch Company, Inc. and its wholly-owned subsidiary companies as at March 31, 1950, and the related consolidated statement of income and earned surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

While we have been furnished regularly with monthly reports of the Swiss branch and of the Canadian companies, these accounts have been audited — as at March 31, 1950 — by other independent accountants, whose figures, after reviewing, we have incorporated in the consolidated statements.

In our opinion, the accompanying balance sheet and related statement of income and earned surplus present fairly the consolidated financial position of Bulova Watch Company, Inc. and its wholly-owned subsidiary companies at March 31, 1950, and the consolidated results of their operations for the year ended that date, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

FREDERICK WM. GREENFIELD & CO.
Certified Public Accountants

New York, N. Y.
June 21, 1950.



1875
1950

*The
Outstanding Watchmaking
Achievement of
Seventy-Five Years*

*The New **BULOVA**
Academy Award Watches*

*The Newest, Most Beautiful
Watches Ever Created*



ACADEMY AWARD "J"
21 jewels
Expansion bracelet
\$57.50



ACADEMY AWARD "F"
21 jewels
Expansion bracelet
\$62.50



ACADEMY AWARD "D"
21 jewels
14 kt. gold
\$65.00



ACADEMY AWARD "C"
21 jewels
14 kt. gold, 2 diamonds
\$115.00



ACADEMY AWARD "B"
21 jewels
\$49.50
(Enlarged to show detail)



ACADEMY AWARD "Z"
21 jewels
\$49.50
(Enlarged to show detail)

ACADEMY AWARD "Q"
21 jewels
Expansion band
\$71.50



ACADEMY AWARD "W"
21 jewels
Expansion band
\$71.50



High Styling...



BULOVA
has been awarded the
1950 FASHION ACADEMY
GOLD MEDAL
for superiority in styling



and High Precision as well



Craftsmanship

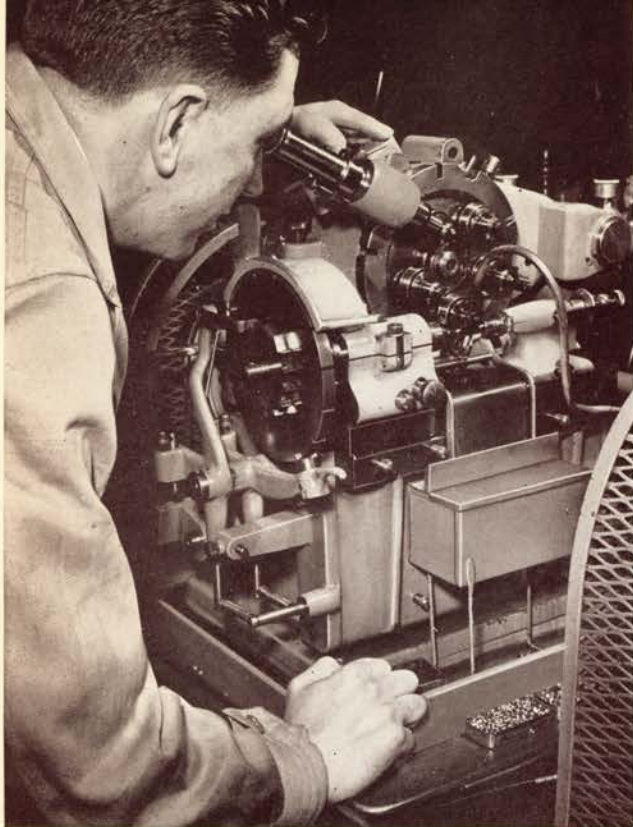
FIRST STEP IN MAKING **BULOVA**
FIRST AMONG ALL FINE WATCHES

Only a product of proven superiority maintains leadership through the years. Without a fine product, even the best salesmanship and the most powerful advertising and merchandising are in vain. That's why your company insists—above everything else—that its craftsmanship be unexcelled.

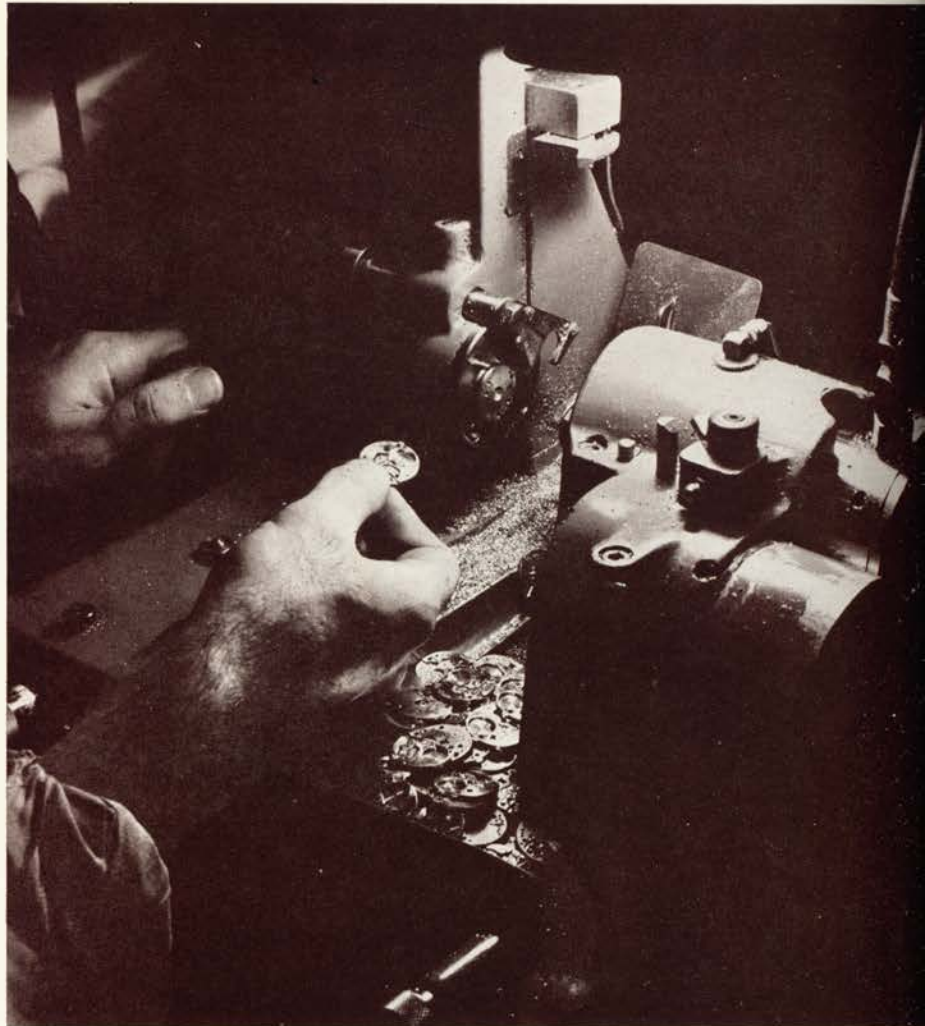
The skills of the world's most experienced master craftsmen go into the making of every Bulova Watch. By combining the painstaking care and delicacy of the old-world watchmaker with the infinite high-precision of the world's most modern watchmaking methods, they insure to every Bulova owner the ultimate in watch beauty and accuracy . . . the ultimate in steadfast, faithful dependability.

That is the reason why—year after year—more Americans tell time by Bulova than by any other fine watch in the world.

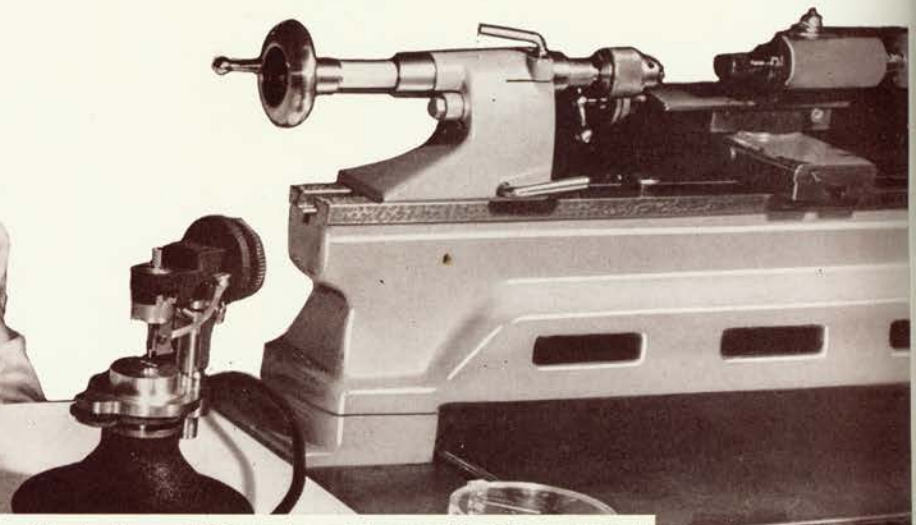
The Knowing Hands of Experience



Microscopic inspection of the machine that mills Escape Wheel Teeth. The Escape Wheel is part of the miraculous Bulova Assembly, which enables the watch to run at an unvarying rate of speed.

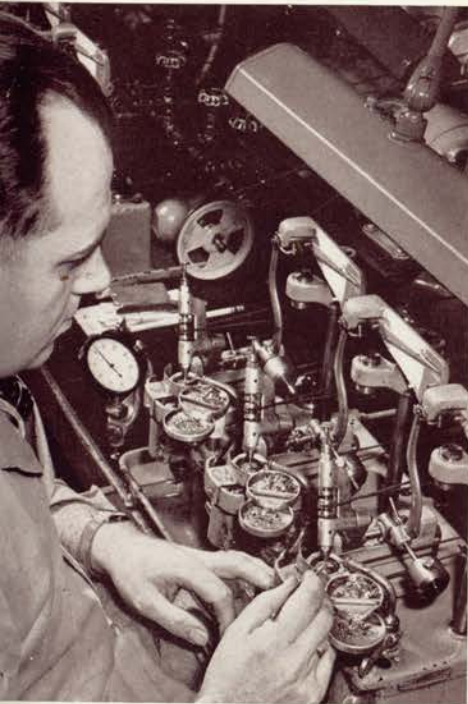


In but a single operation six completely different recesses are cut in the Base Plate. Each of the 42 recesses in Base Plate must be accurate to 1/10,000th of an inch!

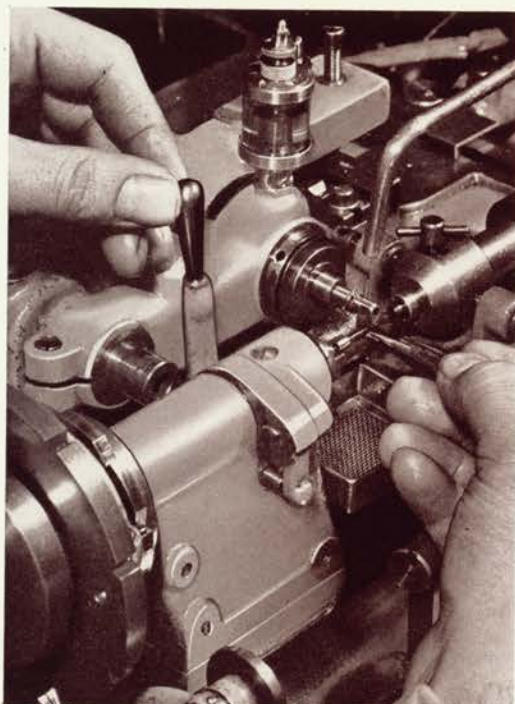


Making small tools, jigs and fixtures for watch assembly. The making of tools is a highly intricate art — demanding the most skilled craftsmanship.

are Behind the Hands of Every Bulova Watch



Preparing a precision plate to hold the all-important cap jewel. The diameter of the holes in certain jewels is approximately three times the thickness of a human hair!



Feeding the milling machine that mills the gear teeth on pinions. Each tiny tooth must be highly polished to a smooth mirror finish to eliminate all possible friction.



Further inspection of Escape Wheel. Machine at right projects and magnifies part 100 times on a screen, so it can be checked perfectly against a standard pattern.



Pictured here are but a few of the approximately 1500 separate operations in the making of every Bulova Watch. Each depends on experienced hands working with incredibly accurate machinery.

Together they create Bulova's famous High-Precision.

And High-Precision is what makes a watch a *fine watch* . . . a Bulova.

Checking a pin gage. All gages in the factory are also regularly checked on a Master Micrometer which measures to four one-millionths of an inch!

BULOVA'S *Advertising Impact*



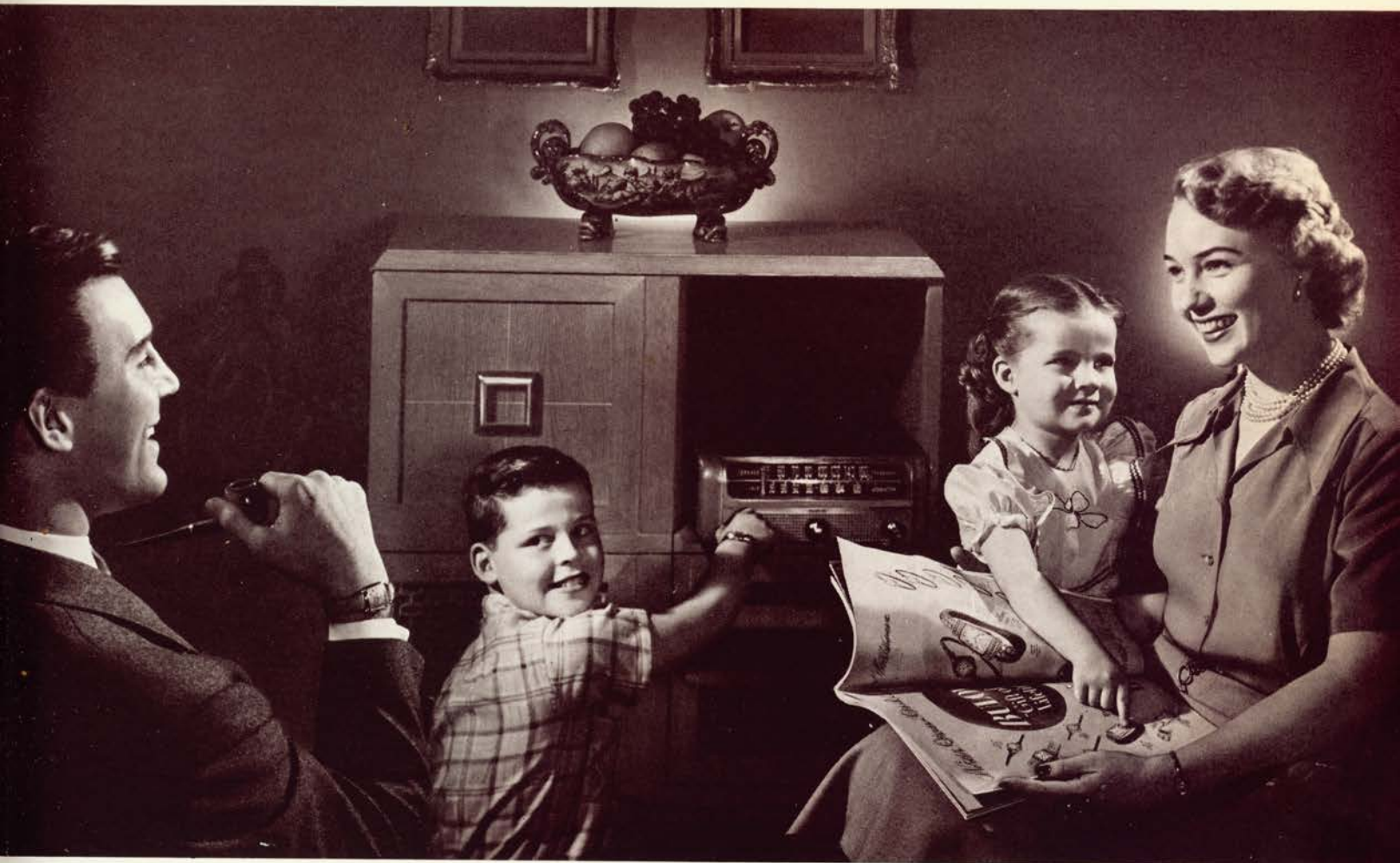
Largest IN TELEVISION —

- In America's newest, fastest-growing medium Bulova dominates... with announcements seen and heard in every TV home.



1875
1950

is Unmatched by Any Other Product



Largest **IN RADIO** —

- America's 40,000,000 radio homes hear Bulova time signals hour after hour... every day of the year.

and **IN PUBLICATIONS, too**

- Large-space newspaper and magazine advertisements during the gift-giving seasons.



**1875
1950**

Dramatic Merchandising Aids

THAT SELL BULOVA WATCHES FOR THE JEWELER





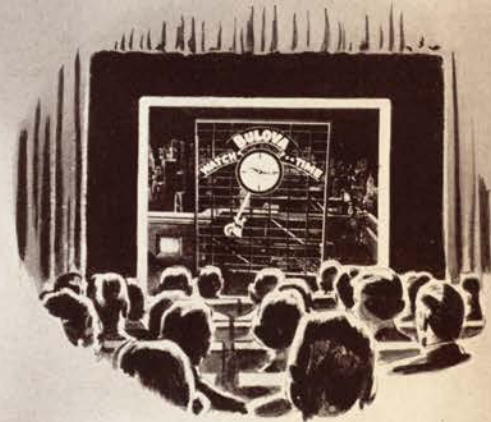
BULOVA PHOTOTIMER
Photographs finish of a race, while automatically recording time of each runner to 1/100th of a second!



JIMMIE FIDLER is among the many noted radio and television commentators who consistently mention Bulova. Others include: Walter Winchell, Faye Emerson, Wendy Barrie.

... and in the
**WORLD OF SPORTS
AND ENTERTAINMENT**

*Bulova Publicity
Stands
Supreme!*



MOVIES AND THEATERS



ARENA CLOCKS



**OFFICIAL TIMEPIECE
AMERICAN AIRLINES**

Wherever—whenever—people gather, they hear or see the name BULOVA.
BULOVA IS OFFICIAL TIMEPIECE OF:

LaGuardia Airport
New York International Airport (Idlewild)
Newark Airport

Army-Navy Football Games
Notre Dame Football Games
National Intercollegiate Basketball Tournaments
Eastern Intercollegiate Athletic Tournaments

To serve those who served us...



The Joseph Bulova School of Watchmaking

Here paraplegics and other handicapped veterans of World War II are given thorough training in the craft of watchmaking. This training is being carried out without charge to the veterans and without any reimbursement from the government. Since the end of the war, 298 disabled veterans have been graduated from this school. They are now respected citizens in their own communities, earning a good living for themselves and their families. As others graduate, they, too, will be assured of a future.

The BULOVA Foundation

The Bulova Foundation, to which all your company's charitable contributions are made, provides funds for the Joseph Bulova School of Watchmaking and other philanthropies.

FIRST CLASS OF
JEWELRY-STORE
MANAGEMENT AND
MERCHANDISING
PROGRAM



AN INTENSIVE TRAINING PROGRAM to help develop outstanding Retail Jewelry Managers of the Future

There has long been need for a training program to develop management for retail jewelry stores. With this in mind, your Company, through the Joseph Bulova School of Watchmaking, and the New York University School of Retailing, worked out a comprehensive program with the active cooperation of the American National Retail Jewelers' Association, the National Association of Credit Jewelers, and leading retail jewelers.

The plan received enthusiastic, widespread approval.

The number of students was limited to approximately 25 in each class to insure maximum benefit and close personal contact with the instructional staff of New York University professors and leading store owners and executives.

The first class was held in July 1949; a second class in January 1950. At this writing (June 1950), a third class is in session. Upon its completion, there will be 75 graduates from 30 states and 2 provinces in Canada.

The two weeks' course is highly practical, including:

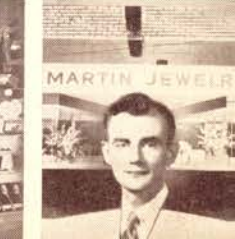
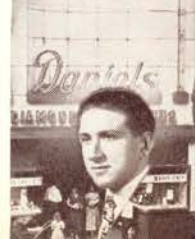
... *Buying and Merchandising*

- ... *Advertising and Sales Promotion*
- ... *Selling and Merchandise Information*
- ... *Operating Systems and Practices*
- ... *Credit Management and Accounting*
- ... *Training and Managing Personnel*
- ... *Establishing Store Policies and Customer Relations*

The time of each lecture is divided between a professor of NYU School of Retailing and an owner or an executive of the country's leading jewelry stores. In this way, the students receive the maximum of theoretical and practical knowledge. There are also field trips to retail jewelry stores, jewelry manufacturing plants, lapidaries, etc.

Most of the students have been sons of jewelry store owners or executives, all of whom have enthusiastically praised the program.

We feel that this program is a forward step in coordinating an industry and a great university — to build good executives for the retail jewelry trade — and good will for your Company.



Pension Plan and Employee Benefits

Insure Good Morale . . .

Good Workmanship . . .

There is probably no more exacting profession in the world than watchmaking. It requires not only sure fingers but also trouble-free minds and good morale. To achieve these ends your company provides many benefits for its employees.

There are financial aids in the form of a comprehensive Retirement Pension Plan, Group Insurance, and a liberal Benefit program covering sickness and accident which is administered *by* as well as *for* the employees.

At the Woodside plant medical needs are provided for in a fully-equipped dispensary where a nurse is on duty full time, a doctor is in attendance and another on call.

A cafeteria offers low-cost meals in an attractive setting.

Many recreational, educational and training programs are available. Pay standards are the highest in the industry, and all workers receive paid vacations.

Most enviable is the Bulova safety record. Your company, year after year, has won the State Insurance Fund's First Place Award for accident reduction and also Safety Citations from the Associated Industries of New York State, Inc.



In this attractive setting, modeled after a chalet in old Switzerland, a cafeteria provides hot, wholesome, low-cost meals for the employees.



In the completely equipped medical dispensary at the Woodside Plant, a registered nurse is in attendance throughout the day.



Leo Herzman receiving the first Bulova New York office pension certificate from Oscar Burki, his department head for 26 years.



The BULOVA 25-Year Club

with the Company 25 years or more.

- | | |
|--------------------------|--------------------------|
| NORMAN ALLEBAUGH | GAETANO THOMAS LANGIONE |
| JOHN H. BALLARD | RALPH LANGIONE |
| OSCAR A. BEAUREGARD | *WINIFRED LANGTON |
| RENE BERGER | HARRIET DIMOND LEVY |
| OSCAR JOSEPH BIBEAU | HENRY C. LUMBEY |
| THOMAS H. BOYLE, SR. | HAIG MARDIROSSIAN |
| ARDE BULOVA | ARNOLD WALTER MARTI |
| OSCAR BURKI | MILDRED E. McCABE |
| *FRANK CARDENAS | THOMAS H. MCFARLANE |
| CATHERINE W. DESGRANGE | JOSEPH M. MILLER |
| TILLIE SCHMIDT DUNSWORTH | JOHN W. NEWTON |
| CHARLES OVIDA DURNING | *KALMAN OSWALD |
| LEON RALPH DURNING | PAUL PASTOR |
| JAMES B. DURNING | JOHN RUE POLIS |
| SAMUEL P. EPSTEIN | HARRY H. PREZANT |
| MORTIMER G. EWANS | ABRAM W. RACOOSIN |
| EILEEN FEE GRIFFIN | CHARLES J. ROTTER |
| SAMUEL GURRY | SYLVIA SCHLANGER |
| HARRY D. HENSHEL | *RUDOLPH J. SCHWARZ, SR. |
| *LEO W. HERZMAN | WILLIAM SEDINA |
| SAMSON HITNER | RUDOLPH STERZ |
| JOSEPH P. JOHNSON | BEN F. SWARTSBERG |
| ARTHUR M. KAUFMAN | HARRY H. TAUB |
| SAMUEL H. KAUFMAN | NORMAN J. TEGUNS |
| *HARRY KELLAR | GASTON VILLIER |
| CHARLES KLECKA | JOSEPH H. WOOD |
| SAMUEL KLEIN | |

*Retired