



 **BUKLOVA**

ANNUAL REPORT

1974

Directors



Harry B. Henshel (*Chairman*)



David Anderson



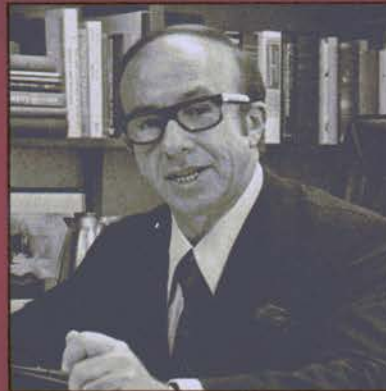
R. Mark Bourquin



Gen. Omar N. Bradley (*Hon. Chairman*)



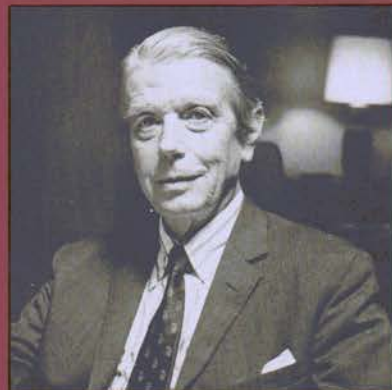
Benjamin H. Dorsey



Sol E. Flick (*Vice Chairman*)



Rodney C. Gott



James McCormack



John W. Rutledge



John L. Weinberg


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Annual Meeting

Tuesday, July 23, 1974
11:30 A.M. (EDST)
Bulova Park, 75-20 Astoria Blvd.
Jackson Heights, New York

The following are trademarks of
Bulova Watch Company, Inc.,
or its subsidiaries:

Accuquartz, Accutron, Bulova,
Caravelle, Catalina, Micro
Handler, Mini Accutron, Mini
Handler, Unisonic, Universal-
Geneve, WatchMaster, 

ABOUT THE COVER:

Shown is a segment (magnified
225 times) of the decoder-driver
integrated circuit on a
wafer-thin silicon chip used in a
new Bulova solid-state watch.
Circuit is a key element in the
electronic digital display of time.
The entire chip, which measures
.086 by .121 of an inch, fits
comfortably within the circle of
the letter "A" of the word
BULOVA as printed on our cover.



Annual Report of the Bulova Watch Company, Inc.

for the year ended March 31, 1974

Highlights

Years Ended March 31	1974	1973
Net Sales	\$213,773,000	\$176,650,000
Income Before Income Taxes And Minority Interests	\$ 13,477,000	\$ 11,544,000
Net Income	\$ 7,102,000	\$ 6,503,000
Net Income Per Share*	\$ 1.90	\$ 1.74
Net Income Per Share Assuming Full Dilution	\$ 1.78	\$ 1.64
Cash Dividends Per Share	\$.67 ^{1/2}	\$.60
Current Assets	\$192,354,000	\$154,819,000
Current Liabilities	\$ 71,764,000	\$ 64,916,000
Working Capital	\$120,590,000	\$ 89,903,000
Stockholders' Equity Per Share**	\$ 21.64	\$ 20.43

* Based on the average number of shares outstanding during each period.

** Based on number of shares outstanding at the end of each period.



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QUARTZ VIBRATOR—Technician inspects tiny bar of quartz crystal that vibrates 32,768 times a second, to keep time in a Bulova Accuquartz wristwatch. Only 4/10ths of an inch long, it is reportedly the smallest quartz frequency standard used in any wristwatch.



To Our Stockholders:



NEW TEAM—Chairman of the Board, Harry B. Henshel (left), and president, John W. Rutledge.

This has been a difficult but gratifying year. Gratifying because worldwide sales rose to a record \$213.8 million, up 21% over the prior year and earnings also rose to a record \$7.1 million after taxes. Difficult because currency fluctuations, inflation, government price controls, and sharply rising interest costs, resulted in an increase in earnings that, while a record for the Company, was not commensurate with the rate of sales increase. At home, our watch and clock sales increased (for the 12th consecutive year), and reached \$128 million, setting a new record. Abroad similar increases in the sale of both watches and clocks generated \$46.4 million in sales, an increase of 40% over the \$33 million sold the prior year.

It is particularly significant, we believe, that our overseas business at year end had reached a level that exceeded the total watch sales for the entire company just 15 years ago. In fact, if you were to view our last year's overseas sales as a "competing watch company," it would rank among the top seven companies in the world watch industry—confirming your management's predictions in recent years of the potential of these new markets for our products.

Our total industrial and defense sales reached \$39.4 million in the year just ended as compared to \$36.2 million for the prior year.

Primary earnings per share were \$1.90 as compared to \$1.74 for the prior fiscal year. Fully diluted earnings were \$1.78 for the year against \$1.64 last year.

As we enter our centennial year, Bulova's proven record of technological innovations together with its traditional position in the United States and its growing marketing strengths abroad, provide optimism for the 1974-75 fiscal year. As we approach the end

of our first quarter, it appears that consumer product sales, both here and abroad, are increasing as we projected. Unfortunately, revised delivery schedules to the U.S. Government and from certain suppliers created a "stretch-out" of our industrial-defense business which will defer some of these revenues into later quarters. As a result, it appears that first quarter earnings may be slightly less than those of the same quarter the prior year.

Traditionally the quarters ending in March and June of each year are far less significant to our overall earnings than are the quarters ending in September and December, when a majority of our annual consumer sales occur. Therefore, as we view the entire current fiscal year, we are confident that sales and profits will continue to grow, although interest costs and other economic conditions may continue to influence our rate of profit as a percentage of sales.

Each of our watch brands—Bulova Accutron, Bulova and Caravelle—will continue to lead its segment of the U.S. watch market, and collectively extend our penetration of overseas markets. The new Bulova solid-state quartz watches, the first of which are to be introduced this fall, will mark Bulova's entry into the developing electronic, solid-state watch market.

At present, the quality solid-state digital watch priced at \$200 and higher is not a mass market item. Moreover, substantially lower prices will not be possible until sales volume is multiplied many times.

These facts are significant because they spotlight the potential of our Bulova Accutron brand which showed strong growth last year, when the women's models were also introduced worldwide. It is now possible for the watch buyer to own this electronic watch for as little as \$95 putting it in

the price range of a fine mechanical self-winding watch.

In short, virtually every discriminating consumer in the U.S. is a prospect for our electronic products.

The U.S. consumer watch market is unique in that it is the most rapid replacement market in the world. One out of four people buy a watch each year—a rate that is 50% higher than in Western Europe.

Tangible evidence of our confidence in the future is reflected by the action of your board of directors in increasing the quarterly dividend to 17½ cents a share effective September 26, 1973 from the 15 cents rate paid since 1969.

Your management dedicates this report to our employees, consumers, dealers and shareholders—in America and around the world—in grateful appreciation of their continuing strong support.



Harry B. Henshel
Chairman of the Board



John W. Rutledge
President

June 13, 1974



News of U.S. Operations

Our domestic consumer product sales were \$128 million for the fiscal year, up 19%, for the twelfth consecutive annual increase and a new record. Our continued sales growth was led by the Bulova Accutron brand, as distribution of the miniaturized Accutron lady's wristwatches, retailing from \$95 to \$1,500, expanded nationwide. Sales of Caravelle watches, retailing from \$14.95 to \$59.95, rose 16% for the fiscal year, while the Bulova brand, for more than 40 years the largest dollar seller in the U.S.—medium price range, increased dollar volume by 4%. It appears likely that the Bulova Accutron brand will pass the Bulova brand in dollar volume in the U.S. market during the next two years.

These sales results were achieved despite increased costs, reflecting U.S. and international inflationary pressures and within price controls established and maintained by the Federal government throughout the fiscal year. In addition, as is well known, the market price of gold increased to unprecedented levels during the fiscal year, and is now about four times the official price. In late fall 1973, the Cost of Living Council authorized price increases on watches in our domestic Accutron, Bulova and Caravelle lines which were made effective starting with the new selling season in January 1974. For these several reasons, the Company's profit margins on watch sales were squeezed, and profits could not match the sales performance.

Only electronic watches were manufactured by Bulova in the United States, and domestic production of Bulova Accuquartz and of Bulova Accutron men's and Bulova Accutron women's watches increased more than 13% during the fiscal year. Calendar 1974 production of these electronic products is scheduled to increase more than 30%, making possible certain

planned production economies.

The majority of balance-wheel watch movements used in Bulova, Bulova Dior and Caravelle watches retailed in the United States are manufactured and assembled at Bulova plants in Switzerland or assembled at the plant of Pacific Time Corporation, a wholly owned subsidiary in American Samoa, and the plant of Atlantic Time Products, another wholly owned subsidiary in the U.S. Virgin Islands. Some watch movements employed in Caravelle watches marketed in the United States are manufactured to Bulova specifications in Japan. These widely dispersed multinational sources have proven their economy in a climate of global inflation.

Research and engineering activities throughout the fiscal year focused on new product development of solid-state watches that would meet Bulova standards for reliability and consumer convenience. In the fiscal year just ended, we spent approximately \$1.6 million on material research activities relating to the development of new products or improvements to existing products, compared to \$1.2 million for the fiscal year that ended March 31, 1973.

Your Company had deliberately refrained from what Bulova engineers considered the then premature introduction of solid-state watches, and special care was exercised by management to assure both the consumer and the jeweler that only those products which offer greater "on the wrist" reliability would qualify for introduction under Bulova's respected brand names. As predicted in the annual report one year ago, Bulova's engineers have now succeeded in developing a series of reliable solid-state digital display watches, utilizing a quartz time standard, the first of which will be marketed in 1974.

Plans for new product development include digital displays utilizing both (LED) or light emitting diode and (LCD) or liquid crystal displays. A detailed plan of supplying appropriate technical materials, information and recommended procedures for maintaining the optimum performance of these timepieces will be implemented prior to their introduction. For example, bulletins (which detail recommended maintenance procedures that can be accommodated in the field), are currently being prepared and will be disseminated in the near future. Moreover, in the programs and seminars conducted by your company, and particularly in the Certified Accutron Technical Programs, a full course encompassing the basics of quartz time standard techniques and proper maintenance procedures are being taught. Timing equipment and appropriate service equipment will be made available and their use taught to technicians. Lastly, in the United States, our Regional Service Centers, as well as similar centers abroad, will be provided with the most recent tech-



INTEGRATED CIRCUITRY—Technician prepares to attach wire leads to tiny CMOS (Complementary Metal Oxide Semiconductor) integrated circuit for solid-state timepiece.



GOLD CASES—14K gold cases for Bulova Accutron men's watches are inspected by a Providence Division technician following polishing by diamond lapping.



SOLID-STATE—Engineer uses cutting tool to scribe large ruby-litho master used in printed circuit boards for solid-state watches. It is then reduced to create multiple photo masks (bottom) used to produce printed circuit boards in proper size.

nical data on quartz watch mechanisms, be they analog or digital in nature.

Research on nuclear-based timepieces also continued, under the patents received in 1973.

Bulova Clock Division sales rose 62% and operating profits doubled despite heavy relocation expenses, during the fiscal year. The Bulova Clock Line, distributed nationally to jewelers, fine jewelry and clock departments of department stores, and specialty shops, grew to more than

300 styles, and 300 retailers increased its share of market. These included personal, boudoir, desk, mantel, marine, wall, decorator and grandfather clocks, and featured many digital styles. An expanded line of genuine Limoges plate clocks equipped with battery-powered electronic movements and the new Sainte Chapelle Collection of stained-glass clocks are among the styling innovations in clock design successfully marketed by the Division during the fiscal year.

The Providence Division, with three plants in Rhode Island and one in Sag Harbor, N.Y., reported record production of watch cases during the fiscal year. The Division's complete case design, case part manufacturing, and case assembly capabilities make Bulova the only watch marketer in the world with complete watch case production staffs and facilities. This is a distinct competitive advantage in our business. Also, it is a tremendous advantage with regard to solid-state watches. All electronic digital displays look similar; therefore, the fashion varieties offered by our extensive watch case styling facilities and the ability to produce them "in house" becomes particularly significant, as it will provide consumers with superior watch jewelry. The Division works closely with watch stylists at Bulova Park, N.Y., and at the Bulova Design Center in Geneva, Switzerland.

The Division continues as a volume supplier of high-precision camera components to Polaroid Corporation, and production and delivery of components for the Polaroid SX-70 were stepped up following the successful introduction in 1973 of this revolutionary new camera. The Providence Division has been a supplier of precision components to Polaroid since 1959, and its past deliveries and projected deliveries to Polaroid have been largely on a sole-supplier basis.

The Bulova Timer Laboratory, which since 1958 has supplied the U.S. space program with specialized timers, designed and delivered the hand-operated Bulova Accutron "alarm clocks" used by U.S. astronauts aboard Skylab. The 100-ton Skylab, launched from Cape Kennedy on May 14, 1973, was the first Earth-orbiting space laboratory, and the 43rd U.S. space project to utilize Bulova Accutron movement reliability and durability. The watch movements in Bulova Accutron instruments used for space are identical with the movements used in Bulova Accutron wrist-watches sold to consumers around the world.

The Accuquartz Marine Navigator, introduced by the Bulova Timer Laboratory in 1973, has been selected as the official time standard for the 1974 America's Cup Race to be held off Newport, R.I.

The Electronics Division reported sales up 4% for the year, with the largest increases accounted for by quartz crystals and tuning-fork optical scanners. Hewlett Packard, Motorola and Western Electric continued as significant buyers of Bulova quartz crystals, which for the first time were also sold to assemblers of quartz watch movements. IBM awarded the Division a major contract for optical scanners used in the new IBM supermarket checkout system.

In total, Industrial-Defense sales for the Company were \$39.4 million in fiscal 1974, compared to \$36.2 million in 1973, an increase of 9%.

Technical Sales & Services Division sales rose 18% with sales increases led by power cells and watch electronic servicing equipment. Thanks to the Division's service facilities, Bulova is the only U.S. watch marketer with a national factory-owned network of service and training facilities, which serve the public by serving jewelers and their watch technicians. The Division's Field Training Services launched a new 5-day Accutron certification course that has already graduated 1,200 watch repairmen.

Atlantic Time Products, the Bulova owned manufacturing subsidiary in the U.S. Virgin Islands, once more was the largest assembler of jeweled-movement watches there, and once more fully met its Government-authorized production quota. Some 95% of the employees are Virgin Islanders.

Pacific Time Corporation, our manufacturing subsidiary in American Samoa, staffed by native Samoans, again fully met its Government-authorized annual watch movement production quota during the fiscal year. The parts for the 23-jewel movements assembled at the plant originate from Bulova plants in Switzerland and in New York.

Worldwide employment by Bulova reached 8,200 persons at the end of the fiscal year, up from 7,600 a year earlier. 5,350 were employed in the United States and its Territories, and 2,850 were abroad.

At Bulova facilities in New York, minority employment, which must be reported to the U.S. Office of Federal Contracts Compliance, was 37.6%, and the percentage of women employed was 53.9%. Some 5% of all the New York employees were physically handicapped.

RECORD-MAKER—Three Accutron "alarm clocks" were carried aboard Skylab when it was lofted into orbit May 14, 1973. Skylab was the 43rd space mission for Bulova Accutron.

ACCURACY—Vibrograf recorder demonstrates self-regulation feature of Bulova Accutron watch. Owner can maintain accuracy to within 2 seconds of the right time all year long by positioning watch overnight.

At the U.S.-owned William Langer Jewel Bearing Plant in Rolla, N.D., operated by Bulova, more than 70% of the 160 engineers and technicians employed are Chippewa Indians from the nearby Turtle Mountain Reservation. The plant is the sole domestic producer of jewel bearings.

The Bulova Pension Plan for U.S. employees, started in 1943, paid out a total of \$1,664,000 during the fiscal year to retired employees and their beneficiaries. Since 1965, a total of \$10,254,000 has been paid out under the Plan.

Since 1953, the Bulova Watch Company Foundation program of competitive college scholarships for the sons and daughters of U.S. employees with more than 5 years of service, has paid a total of \$858,000 to 614 winners and the 131 colleges they chose to attend.

During the past fiscal year, 48 scholarships were awarded. New awards are temporarily suspended because of changes in the regulations of the U.S. Internal Revenue Service. However, the scholarship program is being revised in expectation of I.R.S. approval, and applications will be accepted for the fall 1974 semester.

We regret the untimely passing of two key executives: Vice president Gerard A. Donovan, 52, an employee since 1939, who had developed watch sales to the industrial incentive market and to the post exchange systems throughout the world, and who also served as Merchandising Director of Accutron and Bulova watch lines; Edmond A. Blanc, 49, who was the founding managing director of Bulova France, S.A., our marketing subsidiary in Paris.



MINI FORKS—Tuning-fork inspection for Bulova Accutron woman's watches made and sold in the United States and exported to Switzerland.



News of Operations Abroad

Bulova's manufacturing and marketing subsidiaries abroad continued to increase production and to expand marketing operations during the fiscal year, contributing materially to consolidated earnings for the fiscal year.

Sales of Bulova's watches and clocks abroad rose 40% to \$46.4 million, up from \$33.0 million for the previous fiscal year. These consumer products sales abroad accounted for 22% of gross Company revenues for the fiscal year, and were the equivalent of 27% of total consumer product sales for the fiscal year.

Bulova International, Universal-Geneve, and the Company's other major marketing subsidiaries abroad, serving consumers and jewelers in 120 markets, all reported significant sales increases during the fiscal year. Particularly strong sales gains were achieved in *Canada, Italy, the United Kingdom, Germany and Japan.*

The Bulova Accutron brand of tuning-fork watches for men and women led our sales increases abroad, as distribution of more styles of miniaturized Accutron women's fashion watches expanded in all markets. As expected, mini Accutron watch sales to consumers rose as quickly as deliveries to jewelers could be increased, indicating that these electronic watches will, in fact, double the worldwide market for the Accutron brand within five years.

The continued expansion of Accutron brand sales focused the attention of jewelers and jeweler trade groups on the "watch revolution" led by the Company's Bulova Accutron and Bulova Accuquartz watch lines. Consequently, the number of jewelers with "electronic watch center" displays multiplied during the year, as did the number of jewelers and watch service technicians who attended electronic watch service courses offered by

Bulova. The market potential for Bulova Accutron and Bulova Accuquartz watches abroad remains great, because more than 99 per cent of all watches sold outside the United States during 1973 used conventional balance-wheel movements.

Licensed production of tuning-fork watch movements by Ebauches, S. A., the largest watch-movement manufacturer in Switzerland, rose as the number of non-Bulova brands marketing tuning-fork watches in world markets increased to ten. A royalty to Bulova is paid by Ebauches on each tuning-fork movement sold to these brands. In effect, the increased popularity of, and advertising support for, tuning-fork watches produces direct income to Bulova while at the same time stimulating expansion of the worldwide market for tuning-fork watches. The Bulova Accutron brand continues as the world bestseller among all watches retailing for more than \$95, and sales of the Bulova Accutron brand exceed sales of all other tuning-fork brands combined.

The Bulova Accuquartz line of slim quartz men's wristwatches with conventional dials, went into wider distribution abroad, as shipments of Bulova Accuquartz movements from Bulova Park, N.Y. to our Swiss plants increased during the fiscal year. The Bulova Accuquartz line offers the world's slimmest watch-size quartz timepiece to a public which has always sought fine styling combined with superior mechanisms.

Watch styling and watch fashions are becoming ever more important to the consumer. In effect, all owners of fine jeweled-lever watches are candidates for a tuning-fork watch or for a fine quartz watch. As Bulova offers all types of watch technologies, the Bulova jeweler is in the best position to com-

IN LONDON—A.M. Arnaud, [left], the Company's managing director in Switzerland, Anthony Reachill, managing director, Bulova U.K. Ltd., and Robert Kocher [right], commercial director for Bulova in Switzerland, inaugurating new Bulova Accutron sign in Piccadilly Circus. (Left)

FIRST PRIZE WINNER — This solid-state quartz wristwatch created by the Bulova Design Center, won the top prize in the 1973 Prix de la Ville de Geneve competition. More than 550 designs were entered by stylists from 15 countries. (Right)

pete successfully in the world consumer watch market.

The 1973 Prix de la Ville de Geneve award in watch styling, the top prize in the world's most prestigious watch styling competition, was won by a stylist at the Bulova Design Center in Geneva, Switzerland. The 1973 competition required the creation of original watch styles that displayed time "without hands"—thus, for the first time, focusing industry styling interest on all-electronic digital watches. Stylists from 15 countries vied in the competition, submitting 550 drawings to the jury of which only eleven were selected by the jury for final consideration. Of those eleven, six came from Bulova designers, and each of these eleven was produced as a one-of-a-kind style for final judgment. Bulova won three of the four possible awards: the Prix de la Ville de Geneve, and two of the three honorable mentions. Jean-Samuel Wuhl, the Bulova designer whose entry won the 1973 award, also won the Prix de la Ville de Geneve in 1971 with a design for a mini Accutron lady's tuning-fork fashion watch. The 1973 award-winning

style was exhibited by Bulova as a fully operational timepiece at the 1974 European Watch, Clock and Jewelry Fair in Basle, Switzerland, where it was, appropriately, the center of much attention.

"The 1973 Prix de la Ville de Geneve award is unusually significant," Harry B. Henshel, chairman, commented, "because our watch stylists in Switzerland have solved with elegance, we believe, the great problems created by the introduction of watches with electronic digits."

The Universal-Geneve watch brand of Geneva, Switzerland, increased its worldwide sales more than 45% during the fiscal year. The Universal-Geneve line, which includes *Unisonic* tuning-fork watches for men and women, has earned an international reputation for high-fashion luxury styling in 18K gold and steel, in unique slim movements. The manufacturer of these products was acquired by your company and has been a wholly-owned subsidiary since 1967. The distinguished styling of the Universal-Geneve brand complements the appeal of the Company's other brands.



Bulova Watch Markets Around the World

American Samoa	Falkland Islands	Liberia	Rwanda
Andorra	Fiji Islands	Liechtenstein	St. Kitts
Antigua	Finland	Luxembourg	St. Lucia
Argentina*	France*	Madeira	St. Maarten
Aruba	French Guyana	Malawi	San Marino
Australia*	French Somaliland	Malaysia	St. Vincent
Austria	Germany*	Malta	Seychelles
Azores	Ghana	Martinique	Singapore
Bahamas	Gibraltar	Mauritius	Somalia
Barbados	Grand Cayman	Mexico*	South Africa*
Belgium	Great Britain*	Monaco	Spain*
Bermuda	Greece	Morocco	Sweden
Bolivia	Grenada	Mozambique	Switzerland*
Borneo	Guam	Netherlands	Surinam
Brazil*	Guatemala	Netherland Antilles	Tahiti
British Honduras	Guyana	New Caledonia	Taiwan
Burma	Haiti	New Guinea	Tanzania
Burundi	Honduras	New Zealand	Thailand
Canada*	Hong Kong*	Nicaragua	Togo
Cambodia	Hungary	Nigeria	Tonga
Cameroun	Iceland	Norfolk Islands	Trinidad
Cape Verde Islands	Iran	Norway	Tunis
Colombia	Ireland	Okinawa	Turkey
Costa Rica	Israel	Panama	Uganda
Curacao	Italy*	Paraguay	United States*
Cyprus	Ivory Coast	Peru	Uruguay
Dahomey	Jamaica	Philippines	Venezuela
Denmark	Japan*	Portugal	Virgin Islands
Dominica	Kenya	Portuguese Guinea	Yugoslavia
Dominican Republic	Korea	Puerto Rico*	Zaire
Ecuador	Laos	Rhodes	Zambia
El Salvador		Rhodesia	
Ethiopia			

* Indicates direct marketing organizations.

Ten Year Financial Review Bulova Watch Company, Inc. and Subsidiaries

Fiscal Years Ended March 31 (dollars in millions except for per share data)

	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965
OPERATING RESULTS:										
Net sales	\$213.8	\$176.7	\$146.6	\$145.3	\$158.7	\$148.9	\$139.8	\$123.9	\$ 99.8	\$ 84.2
Income before income taxes and minority interests	13.5	11.5	9.4	13.2	15.9	14.0	9.6	7.5	6.4	5.7
Net income	7.1	6.5	3.9	6.2	6.8	5.9	4.5	3.9	3.2	2.8
Cash dividends paid	2.5	2.2	2.2	2.2	2.1	1.8	1.5	1.2	1.2	1.2
Earnings retained after cash dividends	4.6	4.3	1.7	4.0	4.7	4.1	3.0	2.7	2.0	1.6
PER SHARE DATA:										
Net income per share* ..	\$1.90	\$1.74	\$1.06	\$1.69	\$1.92	\$1.79	\$1.42	\$1.24	\$1.03	\$.89
Net income per share based on average number of shares outstanding during 1974	\$1.90	\$1.74	\$1.06	\$1.66	\$1.81	\$1.59	\$1.21	\$1.04	\$.87	\$.74
Net income per share assuming full dilution ...	\$1.78	\$1.64	\$1.06	\$1.57	\$1.76	\$1.58	\$1.25	\$1.09	\$.93	\$.79
Cash dividends paid per share	67 ¹ / ₂ ¢	60¢	60¢	60¢	58¢	54¢	46¢	38¢	38¢	37¢
Stock dividends and stock split	—	—	—	—	50 ⁰ / ₀	2 ⁰ / ₀	2 ⁰ / ₀	2 ⁰ / ₀	2 ⁰ / ₀	2 ⁰ / ₀
Common stock**(High) ...	20 ⁷ / ₈	19 ⁷ / ₈	27 ³ / ₈	38 ¹ / ₂	41	33 ¹ / ₄	21 ⁵ / ₈	16	15 ¹ / ₂	15 ¹ / ₈
price range (Low) ...	10 ¹ / ₂	13 ¹ / ₈	15 ³ / ₈	13 ¹ / ₄	27 ⁷ / ₈	16 ¹ / ₄	13 ⁵ / ₈	9 ¹ / ₈	10 ⁵ / ₈	10 ³ / ₈
FINANCIAL POSITION (YEAR-END):										
Current assets	\$192.4	\$154.8	\$132.9	\$122.3	\$111.6	\$103.1	\$104.2	\$ 99.3	\$ 88.2	\$ 74.0
Current liabilities	71.8	64.9	45.3	34.1	24.9	40.9	43.9	41.9	32.2	18.9
Working capital	120.6	89.9	87.6	88.2	86.7	62.2	60.3	57.4	56.0	55.1
Total assets	218.8	179.2	154.9	141.9	128.9	119.0	118.1	112.5	99.0	83.6
Stockholders' equity	81.1	76.4	72.2	70.0	64.8	57.6	50.0	46.4	43.4	41.3
Stockholders' equity per share***	\$21.64	\$20.43	\$19.29	\$18.87	\$17.90	\$16.68	\$15.51	\$14.56	\$13.72	\$13.10
Long-term debt	61.4	33.9	34.0	35.2	36.5	18.6	23.0	23.2	22.5	22.5
ADDITIONAL DATA:										
Additions to plant property, net	\$4.7	\$2.8	\$4.7	\$3.1	\$2.7	\$2.9	\$2.6	\$2.4	\$1.6	\$1.2
Average number of shares****	3.7	3.7	3.7	3.7	3.5	3.3	3.2	3.1	3.1	3.1

* Based on the average number of shares outstanding during each period adjusted retroactively for the 2⁰/₀ stock dividends of June 1964 to 1968 and the 3-for-2 stock split of July 1969.

** Previous calendar year.

*** Based on number of shares outstanding at the end of each period, adjusted retroactively for stock dividends and stock split.

**** Excluding stock held for resale, adjusted for 2⁰/₀ stock dividends of June 1964 to 1968 and the 3-for-2 stock split.

Financial Review

Sales and Net Income—Total sales for the year ended March 31, 1974 rose 21% to \$213.8 million. Earnings from operations rose 37% to \$19.0 million from \$13.9 million. Significantly higher interest expense which resulted from higher total borrowings as well as sharply higher rates, was the primary factor in keeping the rise in net income to 9.2%.

Increased operating income resulted from continued improvement in each of the three major areas of our business: domestic consumer, international consumer and industrial-defense.

Consumer Products—Total consumer product sales increased for the twelfth consecutive year. Domestically, consumer product sales increased by 19% with dollar volume ahead for each watch brand. The increase was aided by full year availability of the Accuquartz and ladies Accutron lines. Caravelle brand watches showed good unit and dollar increases and clock sales continued rising rapidly.

International Consumer sales increased 40% with all major markets showing good gains, in part reflecting higher values for foreign currencies when translated into dollar values.

Industrial-Defense—Industrial-defense sales increased 9% to \$39.4 million, with the entire gain coming in the first half of the fiscal year. Operating profits continued to improve. At March 31, 1974 backlogs were \$37.1 million compared to \$37.8 million the prior year.

Financial Position—In September 1973 the Company completed a long-term financing with the private placement of \$34,280,000 promissory notes due in equal annual amounts between 1979 and 1993. The notes carry an interest rate of 8% and of the net proceeds \$9.28 million was used to prepay outstanding notes and the balance to reduce short-term borrowings from banks.

Increased inventories were required to support the rising sales of consumer products. The overall inventory values increased in part due to generally higher component values and higher foreign currency valuations relative to the U.S. dollar.

March quarter shipments were quite strong, as incoming business domestically was booked and shipped earlier than in prior years. The effect of these shipments in part, accounted for the increase in receivables at year end.



Consolidated Balance Sheets Bulova Watch Company, Inc. and Subsidiaries

March 31, 1974 and March 31, 1973	1974	1973
ASSETS		
Current assets:		
Cash (note 3)	\$ 7,875,969	\$ 6,407,869
Receivables:		
Customers' accounts	59,368,567	47,952,796
Customers' notes	13,987,617	13,066,576
Other	2,468,950	2,241,679
	75,825,134	63,261,051
Less allowance for doubtful receivables	1,883,190	1,695,290
	73,941,944	61,565,761
Inventories (note 1c):		
Watch materials, including finished parts	89,129,104	69,814,205
Industrial and defense materials	12,978,019	9,424,732
Precious metals	3,912,083	3,643,892
Other	1,520,797	1,189,908
	107,540,003	84,072,737
Prepaid expenses	2,996,213	2,772,665
Total current assets	192,354,129	154,819,032
Other assets	3,920,044	4,248,057
Plant property, at cost (note 1d):		
Land, buildings and improvements	17,220,561	15,026,849
Machinery and equipment	19,953,627	18,340,998
Furniture, fixtures and leasehold improvements	3,848,324	3,133,826
	41,022,512	36,501,673
Less accumulated depreciation	19,241,301	17,030,450
	21,781,211	19,471,223
Deferred charges	769,783	682,663
	\$218,825,167	\$179,220,975

See Notes to Financial Statements

March 31, 1974 and March 31, 1973

1974

1973

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

Unsecured notes payable:

Banks [note 3]	\$ 40,320,025	\$ 38,432,425
Others	988,046	648,226

Current installments of long-term debt (note 5)	520,255	1,584,473
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Accounts payable	13,654,222	12,731,004
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Defense contract progress collections	1,091,434	1,101,261
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Accrued expenses:

Salaries, wages and commissions	6,019,347	5,336,515
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Other	3,866,042	3,239,894
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Accrued Federal and foreign income taxes	5,304,787	1,842,259
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Total current liabilities	<u>71,764,158</u>	<u>64,916,057</u>
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Long-term debt (note 5):

8 ⁰ / ₁₀₀ Serial Notes due September 15, 1979-1993	34,280,000	—
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5 ⁰ / ₁₀₀ Promissory Notes due May 31, 1979	—	8,000,000
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4 ¹ / ₂ ⁰ / ₁₀₀ Convertible Subordinated Debentures due August 1, 1984	1,343,000	1,482,500
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6 ⁰ / ₁₀₀ Convertible Subordinated Debentures due February 1, 1990	21,179,300	21,179,300
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Mortgages and other loans payable	4,628,874	3,285,302
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	<u>61,431,174</u>	<u>33,947,102</u>
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Deferred taxes on income (note 1e)	1,048,007	1,265,433
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Deferred income	897,655	1,026,717
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Reserve for foreign operations (note 1b)	1,561,227	847,424
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Minority interests in net assets of subsidiaries	1,043,407	777,655
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Stockholders' equity (notes 5 and 6):

Common stock, \$5 par value:

Authorized: 7,500,000 shares.

Issued: 1974—3,751,254 shares; 1973—3,742,273 shares ...	18,756,270	18,711,365
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Capital surplus	3,719,761	3,627,392
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Retained earnings	58,687,823	54,110,818
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	<u>81,163,854</u>	<u>76,449,575</u>
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Deduct common stock, at cost, held for resale to officers

and employees: 1974—6,083 shares; 1973—672 shares	84,315	8,988
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Total stockholders' equity	<u>81,079,539</u>	<u>76,440,587</u>
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	<u>\$218,825,167</u>	<u>\$179,220,975</u>
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See Notes to Financial Statements

Consolidated Statements of Income Bulova Watch Company, Inc. and Subsidiaries

Years Ended March 31, 1974 and March 31, 1973	1974	1973*
Net sales	\$213,773,009	\$176,650,013
Cost of goods sold	148,043,082	123,220,216
Gross profit from sales	65,729,927	53,429,797
Selling, general and administrative expenses	46,707,654	39,509,197
Profit from operations	19,022,273	13,920,600
 Income charges (credits):		
Interest on long-term debt	3,236,066	2,014,863
Other interest charges	4,099,378	1,950,096
Royalties, interest and other income	(1,789,696)	(1,588,006)
	<u>5,545,748</u>	<u>2,376,953</u>
Income before income taxes and minority interests in net income of subsidiaries	13,476,525	11,543,647
Income taxes (notes 1e and 4)	6,112,740	4,852,139
Income before minority interests in net income of subsidiaries	7,363,785	6,691,508
Minority interests in net income of subsidiaries	261,560	188,323
Net income for the year	<u>7,102,225</u>	<u>6,503,185</u>
 Net income per average common share (note 1h)		
	\$ <u>1.90</u>	\$ <u>1.74</u>
 Net income per share assuming full dilution (note 1h)		
	\$ <u>1.78</u>	\$ <u>1.64</u>

* Certain 1973 amounts have been reclassified for comparative purposes.

See Notes to Financial Statements

Consolidated Statements of Stockholders' Equity Bulova Watch Company, Inc. and Subsidiaries

Years Ended March 31, 1974 and March 31, 1973

	Number of Common Shares		Stockholders' Equity				
	Issued	In Treasury	Total	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock
Balance March 31, 1972	3,741,718	1,503	\$72,162,979	\$18,708,590	\$3,621,611	\$49,852,419	\$(19,641)
Net income	—	—	6,503,185	—	—	6,503,185	—
Shares issued upon conversion of \$8,700 of convertible de- bentures net of related deferred debt expense	555	—	8,556	2,775	5,781	—	—
Purchase of common stock at cost	—	3,000	(48,553)	—	—	—	(48,553)
Shares distributed for employee service awards	—	(3,831)	59,206	—	—	—	59,206
Cash dividends	—	—	(2,244,786)	—	—	(2,244,786)	—
Balance March 31, 1973	3,742,273	672	76,440,587	18,711,365	3,627,392	54,110,818	(8,988)
Net income	—	—	7,102,225	—	—	7,102,225	—
Shares issued upon conversion of \$139,500 of convert- ible debentures net of related deferred debt expense	8,981	—	137,274	44,905	92,369	—	—
Purchase of common stock at cost	—	10,000	(138,612)	—	—	—	(138,612)
Shares distributed for employee service awards	—	(4,589)	63,285	—	—	—	63,285
Cash dividends	—	—	(2,525,220)	—	—	(2,525,220)	—
Balance March 31, 1974	<u>3,751,254</u>	<u>6,083</u>	<u>\$81,079,539</u>	<u>\$18,756,270</u>	<u>\$3,719,761</u>	<u>\$58,687,823</u>	<u>\$(84,315)</u>

See Notes to Financial Statements

Consolidated Statements of Changes In Financial Position

Bulova Watch Company, Inc. and Subsidiaries

Years Ended March 31, 1974 and March 31, 1973	1974	1973
WORKING CAPITAL WAS PROVIDED FROM:		
Operations:		
Net income	\$ 7,102,225	\$ 6,503,185
Charges (credits) to income which did not involve working capital:		
Depreciation	2,365,581	2,072,102
Deferred income taxes	230,715	497,372
Decrease in deferred income	(129,062)	(296,807)
	<u>9,569,459</u>	<u>8,775,852</u>
Transactions in the Company's capital stock	61,947	19,209
Proceeds from long-term financing	35,977,761	1,701,593
Reserve for foreign operations	713,803	168,938
Minority interests in net assets of subsidiaries	265,752	180,789
Disposals of plant property	151,032	104,696
Deferred charges	(87,120)	514,002
	<u>46,652,634</u>	<u>11,465,079</u>
WORKING CAPITAL WAS REQUIRED FOR:		
Dividends to stockholders	2,525,220	2,244,786
Additions to plant property	4,826,601	2,947,702
Reduction of long-term debt	8,493,689	1,707,119
Other assets	(328,013)	2,111,195
Deferred taxes on income	448,141	150,480
	<u>15,965,638</u>	<u>9,161,282</u>
INCREASE IN WORKING CAPITAL	<u>\$30,686,996</u>	<u>\$ 2,303,797</u>
INCREASES (DECREASES) IN COMPONENTS OF WORKING CAPITAL:		
Current assets:		
Cash	\$ 1,468,100	\$ (254,014)
Receivables	12,376,183	8,842,120
Inventories	23,467,266	11,657,635
Prepaid expenses	223,548	1,712,307
	<u>37,535,097</u>	<u>21,958,048</u>
Current liabilities:		
Unsecured notes payable and current installments of long-term debt	1,163,202	13,104,121
Accounts payable and defense contract progress collections	913,391	5,111,297
Accrued expenses	1,308,980	1,886,244
Accrued Federal and foreign income taxes	3,462,528	(447,411)
	<u>6,848,101</u>	<u>19,654,251</u>
INCREASE IN WORKING CAPITAL	<u>\$30,686,996</u>	<u>\$ 2,303,797</u>

See Notes to Financial Statements

Notes to Financial Statements March 31, 1974 and March 31, 1973

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Principles of Consolidation:

The consolidated financial statements include the accounts of Bulova Watch Company, Inc. and all significant subsidiaries. To avoid delays in preparing the March 31 consolidated financial statements, the Company includes the accounts of most foreign subsidiaries as of the preceding December 31. Investments in unconsolidated subsidiaries are carried at equity. All significant intercompany transactions and profits are eliminated in consolidation.

(b) Translation of Foreign Currencies:

The general policy followed in the translation of foreign currency items is to state assets (except plant property), liabilities and reserves at rates of exchange prevailing at the end of the period. Plant property is translated at the rates in effect on the dates of acquisition of the related assets. Income and expense accounts are translated at the average rates prevailing during the year with the exception of depreciation which is translated at historic rates. Unrealized gains (\$713,803 in 1974; \$168,938 in 1973) and losses arising from the translation are credited and charged to the reserve for foreign operations. The reserve was established in 1972 because of unsettled conditions in world currency markets and the increasing importance of international operations.

(c) Inventories:

Substantially all of the inventories are computed on a first-in, first-out basis and are valued at lower of cost or replacement market. The inventory quantities are determined for the most part from perpetual inventory records, which are checked by physical inventories taken from time to time during the year, principally at December 31 of each year. Provisions for loss because of age or condition are made as required.

(d) Plant Property:

Plant property is stated at cost. Depreciation is calculated on the straight-line method for financial statement purposes, and on accelerated meth-

ods for U.S. tax purposes. Leasehold improvements are amortized over the life of the lease. Additions, betterments and renewals are capitalized, and expenditures for maintenance and repairs are charged to income. When facilities are retired from service or are otherwise disposed of, the general policy is to remove the cost and accumulated depreciation from the respective assets and reserve accounts, and where applicable, to charge or credit the difference, after the application of sales proceeds or other realization, to income.

(e) Income Taxes:

The provision for income taxes is based on elements of income and expense as reported in the statement of income. Deferred income tax expense is provided for differences in the timing of certain deductions for accounting and tax purposes. No provision is required for additional taxes which may become payable if undistributed earnings of subsidiaries are paid as dividends to the Company, since substantially all of these earnings may be remitted with little or no tax becoming payable.

The investment tax credit is taken into income in the year in which income taxes are reduced by the credit.

(f) Research and Development:

Research and development costs relating to the development of new products or the improvement of existing products are charged against income in the year in which such costs are incurred.

(g) Long-Term Contracts:

Sales under government and industrial contracts are recorded as deliveries are made on fixed-price contracts, and at the time of billing on cost-reimbursement type contracts. Any anticipated losses on these contracts are provided for.

(h) Earnings per Share:

Primary earnings per share are computed on the basis of the average number of shares of common stock outstanding during the period.

Fully diluted earnings per share represent

primary earnings per share adjusted to reflect the assumed conversion as of the beginning of the year of debentures outstanding at any time during the year and the elimination of debenture interest charges, net of taxes.

Shares issuable upon the exercise of stock options also are used in the computations if the assumed issuance thereof would reduce earnings per share.

NOTE 2. FOREIGN OPERATIONS:

Significant foreign currency items included in the consolidated financial statements are as follows:

	1974	1973
Current Assets	\$60,680,886	\$44,995,526
Non-Current Assets ..	13,645,031	12,192,323
Liabilities	34,084,951	27,194,934
Sales	46,396,383	33,044,987
Equity in net income ..	<u>1,124,796</u>	<u>492,882</u>

NOTE 3. UNSECURED NOTES PAYABLE:

Unsecured notes payable to banks reflected in the accompanying balance sheets were issued under various informal short-term borrowing arrangements with domestic and foreign banks, including overseas branches of domestic banks. The average interest rate for borrowing under such arrangements at March 31, 1974 was 9.55% and the maximum borrowings outstanding at any month end during the year were \$54,176,000 at the end of August, 1973. The average balance of unsecured notes payable to banks during 1974 was \$44,251,000 (calculated by averaging month end balances for the year) and the average interest rate was 8.0% (calculated by dividing total short-term interest expense by the average balances).

At March 31, 1974 unused lines of credit under the informal borrowing arrangements amounted to \$21,652,000 and cash balances, not legally restricted as to withdrawal, maintained to support the unused lines and outstanding borrowings approximated \$3,800,000.

NOTE 4. INCOME TAXES:

The provision for income taxes consists of the following:

	(dollars in thousands)	
	1974	1973
Currently payable:		
U.S. Federal before investment credit	\$3,261	\$1,449
Investment credit	(96)	(39)
U.S. Territories	2,022	1,734
State and local	602	335
Foreign	<u>1,603</u>	<u>876</u>
	7,392	4,355
Deferred:		
U.S. Federal	(1,279)	49
Foreign	—	448
	<u>(1,279)</u>	<u>497</u>
	<u>\$6,113</u>	<u>\$4,852</u>

The 1974 provision for deferred taxes includes the tax effect of the following:

Intercompany profit eliminations not deductible for income tax purposes	\$(1,510)
Excess of tax over book depreciation	167
Other	64
	<u>\$(1,279)</u>

Effective income tax rates are 45% for 1974 and 42% for 1973. These rates differ from the 48% U.S. Federal ordinary income tax rate for the following reasons:

	(dollars in thousands)			
	1974		1973	
Tax computed at 48% of pre-tax income	\$6,469	48%	\$5,541	48%
Increase (decrease) in taxes resulting from:				
State and local taxes	313	2	174	2
Income of overseas subsidiaries taxed at less than 48%	(832)	(6)	(994)	(9)
Other	163	1	131	1
Actual expense	<u>\$6,113</u>	<u>45%</u>	<u>\$4,852</u>	<u>42%</u>

Returns for the years ended March 31, 1970 and prior have been examined by the Treasury department and all taxes for such years have been paid.

NOTE 5. LONG-TERM DEBT:

(a) 8% serial notes due September 15, 1979-1993:

In September 1973, \$34,280,000 of 8% serial notes were issued and the outstanding 5% promissory notes due May 31, 1979 amounting to \$9,280,000 were prepaid. On September 15, 1979 and annually thereafter to September 15, 1992, \$2,285,000 of the 8% notes mature and on September 15, 1993 the balance of \$2,290,000 is payable. The Company may prepay the notes in whole or in part at any time, generally upon payment of an additional charge and subject to restrictions on the use of refinanced funds for prepayment purposes.

(b) 4¹/₂% convertible subordinated debentures due August 1, 1984:

The indenture relating to the 4¹/₂% debentures provides for a sinking fund for the redemption at par on August 1 in each year, beginning August 1, 1975, of not less than 10% or more than 20% of the total principal amount of debentures outstanding on July 31, 1975. Additional debentures may be redeemed at any time at stipulated premium prices. Debentures converted into shares of common stock, or otherwise cancelled or redeemed (but not through the sinking fund, except in excess of the minimum annual requirement) on or after August 1, 1975, may be credited against subsequent sinking fund requirements.

The debentures are convertible into common stock at the rate of 6.44 shares for each \$100 principal amount of debentures, subject to antidilution provisions.

(c) 6% convertible subordinated debentures due February 1, 1990:

The indenture relating to the 6% debentures provides for a sinking fund for the redemption at par on February 1 in each year, beginning February 1, 1981, of not less than \$2,100,000 or more than \$4,200,000 principal amount of debentures. Additional debentures may be redeemed at any time at stipulated premium prices. Debentures converted into common stock or otherwise cancelled or redeemed (including any debenture redeemed

through the sinking fund in excess of the minimum requirements) may be credited against such sinking fund requirements.

The debentures are convertible into common stock at the rate of 2.62 shares for each \$100 principal amount of debentures, subject to antidilution provisions.

(d) Terms of the Company's agreements relating to long-term debt place restrictions on certain corporate actions, including minimum working capital requirements and restrictions on the creation of additional indebtedness and payment of dividends other than stock dividends. At March 31, 1974, retained earnings not restricted as to payment of dividends, under the most restrictive of these agreements, amounted to approximately \$9,000,000.

NOTE 6. STOCKHOLDERS' EQUITY:

In addition to the common stock, 500,000 shares of preferred stock are authorized for issuance.

Under the 1971 Stock Option Plan for Key Employees approved by the stockholders, any eligible employee may be granted a qualified option, a non-qualified option or a combination of both to purchase common stock at an option price not less than 100% of market value at the date of the grant. A qualified option must expire not later than five years from the date of the grant. A non-qualified option may extend up to ten years from the date of the grant. Any option may include a provision which permits the option holder, in effect, to sell the option back to the Company, in whole or in part, by exchanging it for common stock equal in value to the excess over the option price of the current fair market value of the common stock covered by the portion of the option exchanged. All options granted through March 31, 1974 are exercisable at date of grant provided the recipient has no outstanding option at a higher price. There were no charges to income during the two years ended March 31, 1974 with respect to stock options. The following options were outstanding at March 31, 1974:

	Number of Shares	Market Value at Date of Grant and Option Price	
		Per Share	Aggregate
Outstanding:			
1972 grants	136,000	\$21.56	\$2,932,160
1973 grants	52,500	17.06	895,650
	<u>188,500</u>		<u>\$3,827,810</u>

No options were exercised in 1974 or 1973. Options for 4,500 shares expired or were cancelled in 1974 (41,712 shares in 1973). At March 31, 1974, options to purchase 61,500 shares were available for grant (57,000 shares at March 31, 1973). At March 31, 1974, shares of common stock were reserved for issuance for the following purposes:

Employees options	188,500
Conversion of debentures	641,387
	<u>829,887</u>

NOTE 7. CONTRACTS SUBJECT TO RENEGOTIATION:

Profits under contracts with the United States Government subject to renegotiation have been cleared through the year ended March 31, 1973. Management is of the opinion that no excess profits were realized for the year ended March 31, 1974.

NOTE 8. RETIREMENT PLANS

The Company maintains a non-contributory pension plan for all of its employees in the United States. The Company's required contribution to the fund is determined after giving consideration to assumed earnings on the fund assets. Based upon the assumed earnings rate (unchanged during 1974 and 1973), earnings of the fund were sufficient to provide for the actuarially computed benefits and, accordingly, no provision for contributions by the Company was required for 1974 or 1973.

Separate retirement plans are maintained by the Company's Swiss branch and by several foreign subsidiaries. Company contributions under such plans amounted to \$739,756 in 1974 and \$499,491 in 1973.

NOTE 9. SUPPLEMENTARY INCOME STATEMENT INFORMATION:

	1974	1973
Depreciation	\$ 2,365,581	\$ 2,072,102
Taxes, other than income taxes:		
Social security	6,364,519	4,539,052
Other	933,579	867,058
Rents	1,829,096	1,602,683
Advertising	7,661,745	6,944,049
Research and development	1,629,828	1,212,437
Provision for doubtful accounts	488,229	500,965

Report of Independent Certified Public Accountants

The Stockholders and Board of Directors
Bulova Watch Company, Inc.:

We have examined the consolidated balance sheets of Bulova Watch Company, Inc. and subsidiaries as of March 31, 1974 and 1973 and the related consolidated statements of income, stockholders' equity and changes in financial position for the years 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.

In our opinion, the aforementioned consolidated financial statements present fairly the financial position of Bulova Watch Company, Inc. and subsidiaries at March 31, 1974 and 1973, and the results of their operations and changes in their financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Peat, Marwick, Mitchell & Co.

345 Park Avenue
New York, New York
June 13, 1974



Bulova Watch Company, Inc. and Subsidiaries

PRODUCTS

Consumer Products—Domestic

- Accuquartz—quartz wristwatch, patents pending. Introduced, 1971. Suggested retail price: \$200. and up.
- Accutron—patented electronic tuning-fork watch. Introduced in 1960. Suggested retail price: \$95. and up.
- Mini Accutron—tuning-fork watch for women. Introduced, 1971. Suggested retail price: \$95. and up.
- Bulova—America's leading jeweled-lever watch brand since 1933. Suggested retail price: \$35. and up.
- Caravelle—largest selling jeweled-lever watch in U.S.A. Introduced in 1961. Suggested retail price: \$14.95 to \$59.95.
- Christian Dior—high-fashion watches. Introduced, 1968. Suggested retail price: \$125. and up.
- Clocks—A complete line of clocks by Bulova. Suggested retail price: \$9.95 and up.
- Service Products—Repair parts, cleaning solutions; watch service equipment.

Consumer Products—International

- Major Marketing Subsidiaries:
- Bulova Watch Co., Ltd.—Canada
- Bulova International Ltd.—Australia, Bermuda, Hong Kong, Japan, Switzerland
- Bulova Watch S.p.A.—Italy
- Bulova U.K. Ltd.—United Kingdom
- Bulova GmbH—Germany
- Bulova France, S.A.—France
- Universal Geneve—Switzerland

Industrial Defense Divisions:

- Systems and Instruments—fuzes, automation and industrial products.
- Electronics Division—quartz crystal and tuning-fork frequency control systems and components.
- Providence Division—industrial and fuze applications.
- Timer Division—Accutron-based industrial timers.

SUBSIDIARIES

- Atlantic Time Products Corporation
- Bulova (Africa) (Proprietary), Limited
- Bulova-Citizen Company, Ltd.
- Bulova de Mexico, S.A. de C. V.
- Bulova Electronics International, S. A.
- Bulova France, S. A.
- Bulova GmbH
- Bulova International Limited
- Bulova Toyo Corporation
- Bulova U.K. Limited
- Bulova Watch Company Limited
- Bulova Watch S.p.A.
- Manufacture Des Montres Universal Perret Frères S. A.
- Montres Altesse, S.A.
- Pacific Time Corporation
- Recta Manufacture d'Horlogerie S. A.
- Relógios Universal e Bulova Ltda.
- Relojes Universal Argentina, S.A.C.I.
- Universal Geneve of Canada Limited
- Universal Geneve U.K. Ltd.
- Universal Geneve de Espana, S. L.
- Universal Geneve de Mexico, S. A. de C. V.

BULOVA PLANT FACILITIES

Domestic Plant Locations

- Bulova Park, Flushing, N.Y.
- Christiansted, St. Croix, Virgin Islands
- Maspeth, L.I., N.Y.
- Providence, R.I. (Plant #1)
- Providence, R.I. (Plant #2)
- Rolla, N. Dakota
- Sag Harbor, N.Y.
- Tafuna, American Samoa
- Valley Stream, L.I., N.Y. (Plant #1)
- Valley Stream, L.I., N.Y. (Plant #2)
- Warwick, R.I.
- Woodside, N.Y. (Plant #1)
- Woodside, N.Y. (Plant #2)

Functions

- Research, Manufacturing, Administration & Distribution
- Manufacturing
- Administration, Service & Distribution
- Manufacturing
- Manufacturing
- Manufacturing
- Manufacturing, Engineering & Development
- Manufacturing, Engineering & Development
- Manufacturing
- Manufacturing, Development
- Production & Assembly

Products

- Watches, Research and Development; Timers
- Watch movements
- Clocks
- Watch cases; Industrial and Government products
- Watch cases; Industrial and Government products
- Jewel Bearings
- Watch Cases
- Watch Movements
- Automation Equipment, Timing Devices and Controls for Industry and Government
- Automation Equipment, Timing Devices and Controls for Industry and Government
- Watch cases; Industrial and Government products
- Watch service equipment; Electronic products
- Quartz Crystals, Filters, Oscillators and Servo-amplifiers for Industry and Government

Foreign Manufacturing Facilities

- Bienne, Switzerland (Plant #1)
- Bienne, Switzerland (Plant #2)
- Fujiyoshida-Shi, Japan
- Geneve-Carouge, Switzerland
- Neuchatel, Switzerland
- Tao Yuan, Taiwan
- Toronto, Ontario, Canada
- Villers-le-Lac, France
- Research, Manufacturing, Administration & Distribution
- Manufacturing
- Manufacturing
- Manufacturing, Administration & Distribution
- Assembly, Research & Manufacturing
- Manufacturing
- Assembly, Sales & Service
- Manufacturing

- Watches and components
- Watches, Compasses; Escapements
- Watches

- Watches
- Watches and Watch movements
- Watch cases
- Watches, Watch Cases, Clocks
- Machinery, Equipment, Watch assembly and Service

In addition to the United States and Canada, sales and warehousing facilities are located in Argentina, Australia, Brazil, France, Hong Kong, Italy, Japan, Mexico, South Africa, Spain, Switzerland, United Kingdom and West Germany.

PERFECT PARTNERS **CARAVELLE**® BY BULOVA

Precision jeweled and fashion wise. So greatly admired that Caravelle created a matched pair... one for him and one for her. Sand textured case. Fine mesh adjustable bracelet. Shock resistant.



FOR HIM



FOR HER

WATCHES ENLARGED TO SHOW DETAIL.

SCHOOLHOUSE COLLECTION



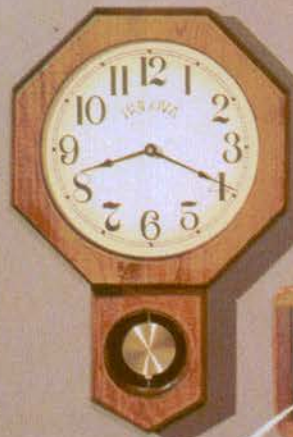
C3822



C3800



C3802



C3600



C3839

GRADUATE C3822

H: 21 1/4", W: 14", D: 3 1/4"

DIPLOMA C3800

H: 28", W: 18 3/4", D: 4 3/4"

CAMPUS C3802

H: 21", W: 14", D: 5"

FACULTY C3600

H: 20 1/2", W: 13 3/4"

STURBRIDGE C3839

H: 20", W: 14"





HIGHLIGHTS OF
CURRENT
ADVERTISING

Our French Connection.

A contact in Paris. At the House of Dior.

He does intricate, almost sinful, things with 14 karat gold.

Makes a perfect front for accurate, dependable Bulova watch movements.

These two styles, for instance: Both with 14K solid gold case and band.

On the left, #85026 with 20 diamonds. On the right,

#55075 with 14 diamonds. Many other superbly styled models from \$250 to \$2000.

Only at fine jewelry and department stores. © Bulova Watch Co., Inc.

The Christian Dior Collection by Bulova.



Women have been tempted by Bulova diamond watches for a long, long time.

Give a Bulova diamond watch to the woman you love. And turn an ordinary evening into an eve.

Top: #35227—14K solid gold case. 38 diamonds, total weight 1 carat. Bottom: #35230—14K solid gold case. 32 diamonds, total weight 1 carat. Other styles from \$80 to \$1800 at fine jewelry and department stores. © Bulova Watch Co., Inc.

If your watch takes more time than it gives, maybe you should get another watch.

Bulova Jet Star self-winding, instant change date and day, water resistant, shock resistant watches.



Models shown: (left) #12620 (center) #11634 (right) #11630. These styles and many others from \$75 at fine jewelry and department stores. © Bulova Watch Co., Inc.



Why you should own a watch that's more accurate than theirs was.

To begin with, maybe you can't imagine any kind of watch more accurate than the kind the astronauts wore on the moon. So we should tell you the Bulova Accuquartz® watch hasn't gained or lost more than 5 seconds a month in laboratory tests. Which makes it many times more accurate than the finest conventional watches in the world.

Which makes the Accuquartz watch many times more accurate than any kind of watch any astronaut ever wore on the moon.

This incredible Accuquartz accuracy is the end-product of an equally incredible chain of actions:

Electricity from a tiny battery travels through a circuit to a hair-like crystal of the finest Brazilian quartz, which is suspended in a miniature vacuum chamber. The current makes the quartz crystal vibrate 32,768 times each second. With each vibration, an electric impulse is sent through a maze of 126 transistors which divide the impulses down to a more manageable 341 1/3 per second. These final impulses activate a tuning fork



which moves the gears, which turn the hands and tell the time.

Now, you probably don't have a screaming need to time your actions to an accuracy of 1/6 of a second a day. (Even the astronauts didn't.) But think of this:

A watch that gains or loses only 1/6 of a second a day, can gain or lose only 1 minute a year.

Now, it's a fact that no quartz watches (including ours) have been around long enough to justify a guarantee for that specific accuracy. But we can truthfully say that a Bulova Accuquartz watch gives you more accurate time for a whole year (without fiddling around) than an ordinary watch could give in a month of fussing.

Which means that, except for seasonal time changes, you only set the Bulova Accuquartz watch's time once a year (when you change its battery).

It also means that, in a world where almost everything is iffy, you can walk around with a good-looking piece of certainty on your wrist.

The Bulova Accuquartz® Watch



A BAD WATCH CAN KILL A GOOD DAY.

If your watch didn't lie, you'd be on the 8:02.
By 9:00 you'd be in the client's office. By 10:00 he'd sign the contract. And by 12:15 your boss would give you a nice, fat raise.

But unfortunately, you don't have an Accutron® watch, guaranteed to tell the truth to within a minute a month.*
So unfortunately, you're not on the 8:02.

BULOVA ACCUTRON®
For men and women.

Left: #25527 14K solid gold. Right: #24807. 10K gold-filled. You'll find many other styles at fine jewelry and department stores. From \$95. *Timekeeping will be adjusted to this tolerance, if necessary, if returned to Accutron dealer from whom purchased within one year from date of purchase.
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