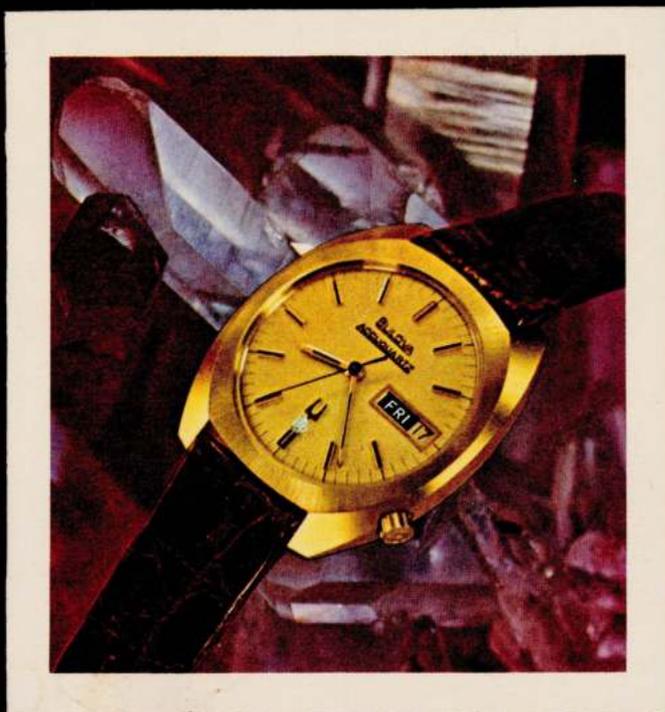


Bulova Annual Report 1972



Annual Report of the Bulova Watch Company, Inc.

for the year ended March 31, 1972

Highlights

Years Ended March 31	1972	1971
Net Sales	\$146,637,513	\$145,264,896
Income Before Income Taxes		
And Minority Interests	\$ 8,600,987	\$ 12,539,966
Net Income	\$ 3,949,935	\$ 6,189,772
Net Income Per Share*	\$ 1.06	\$ 1.69
Net Income Per Share		
Assuming Full Dilution	\$ 1.06	\$ 1.57
Cash Dividends Per Share	\$.60	\$.60
Current Assets	\$132,860,984	\$122,346,854
Current Liabilities	\$ 45,261,806	\$ 34,088,330
Working Capital	\$ 87,599,178	\$ 88,258,524
Stockholders' Equity Per Share**	\$ 19.29	\$ 18.87

* 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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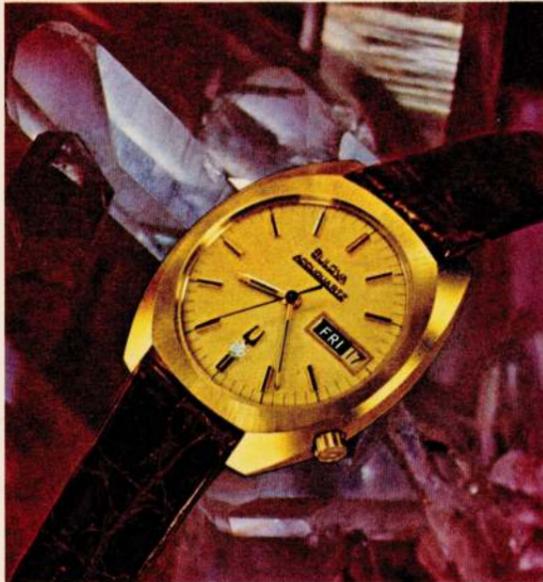
Annual Meeting

Tuesday, July 25, 1972
11:30 A.M. (EDST)
Bulova Park, 75-20 Astoria Blvd.
Jackson Heights, New York

The following are trademarks of
Bulova Watch Company, Inc.:
Accuquartz, Accutron, Bulova,
Bulova Adjust-a-Ring, Bulova
Diamond Set Master, Caravelle,
Computron, Micro Handler,
Mini Handler, WatchMaster



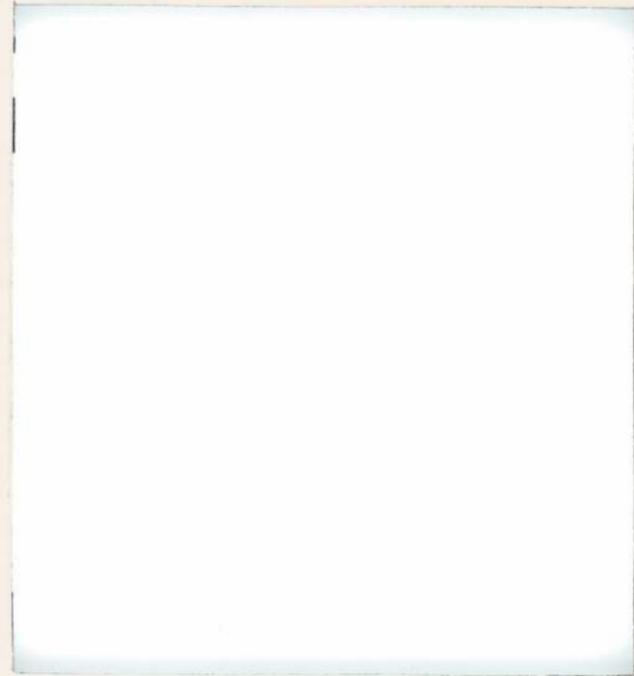
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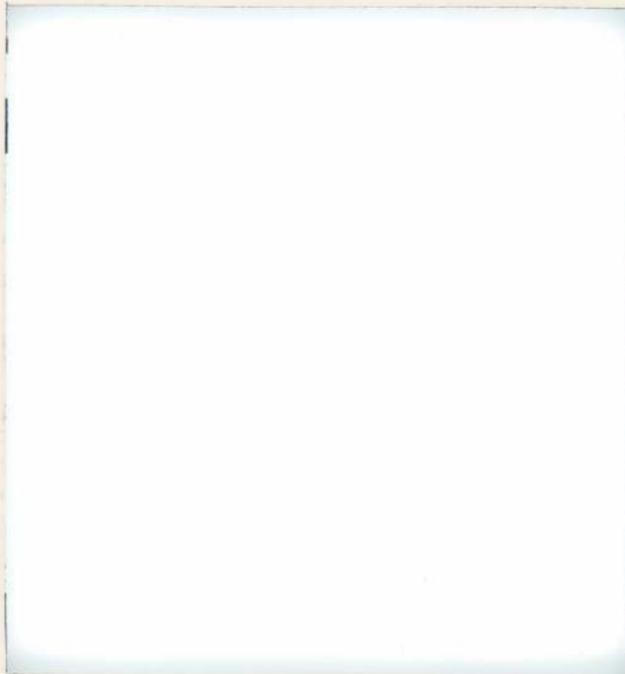


Slim new Bulova Accuquartz® watch, the world's first and only conventionally sized quartz-based wristwatch. Its tiny quartz crystal oscillates 32,768 times a second, controlling a tuning fork that drives the hands.



Bulova Annual Report 1972





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 Bulova Adjust-a-Ring, Bulova
 Diamond Set Master, Caravelle,
 Computron, Micro Handler,
 Mini Handler, WatchMaster



To Our Stockholders:

"The Watch Revolution," begun by Bulova in 1960 with the introduction of Bulova Accutron tuning-fork wristwatches for men, accelerated during the past fiscal year.

On December 7, 1971, the first conventional size quartz wristwatch for men and the first small sized tuning-fork ladies watch were initially introduced at retail in New York City and Paris, France respectively. Both the new Bulova Accuquartz and Bulova mini Accutron watch lines will be introduced to U.S. consumers before Christmas, 1972. High volume production of these new revolutionary timepieces will not be reached during the 1972-73 fiscal year, although their combined sales could reach \$5 million for the fiscal year.

Consumer products sales for the fiscal year ended March 31, 1972 reached \$126,500,000 worldwide, a new record and up 6 per cent from \$119,300,000 a year earlier. In the United States, sales of the Company's watch brands rose a modest 2 per cent, setting a new sales record in spite of weaknesses in the economy. In the U.S. market, the Accutron, Bulova and Caravelle brands continued to be the three largest selling jeweled-movement watches in dollar volume in their respective price categories.

In the United States, Accutron sales rose 11 per cent, and Caravelle sales rose 6 per cent, while Bulova brand sales slipped 6 per cent, as compared to the previous fiscal year. (Since 1968, the Caravelle brand has been the largest selling jeweled-movement watch in America in units, with the Bulova brand, previously the unit-sales leader, running second. Bulova now represents just over 40 per cent of our watch dollar volume, with the Accutron and Caravelle brands roughly dividing the larger share between them.)

Your company continues to be the largest advertiser of fine quality watches in America. In 1971 our national advertising accounted for more than half of all magazine advertising for watches in the United States, and our network TV campaigns led all the jeweled-movement watch competition.

Earnings for the fiscal year were lower than last year due primarily to a continued decline in our industrial-defense business and greater than budgeted losses in three foreign subsidiaries. Earnings for the year were \$3,950,000 on worldwide sales of \$146,638,000, as compared to earnings of \$6,190,000 on sales of \$145,265,000 the previous fiscal year.

Earnings per share were \$1.06 compared to \$1.69 (on 3,728,000 shares and 3,665,000 shares respectively) and fully diluted earnings per share were \$1.06 compared to \$1.57 for the prior year.

Industrial-Defense revenues, which reached the unexpectedly high level of \$46,348,000 in 1968-69, have been declining steadily since 1970, and, during the fiscal year, dropped 22 per cent from the previous fiscal year to \$20,115,000.

We hope to retain enough defense volume to remain capable of production for a national emergency—though we do not expect contract levels to reach 1968-69 levels in the future.

Our contracts have required the maintenance and operation of large quantities of costly high-precision manufacturing and test equipment by significant numbers of engineers and highly-skilled technicians. Whether we continue with these capabilities now depends on maintenance of a minimal level of defense contracts—somewhat above 1971-72 levels.

Quartz crystal experience of the Bulova Electronics Division permitted it, for the first time, to play a major role in the Company's consumer products area. The Division developed—and is manufacturing—the 32,768 Hz (cycles per second) quartz crystal that is the frequency standard in the new Bulova Accuquartz watch. This crystal has already achieved an enviable worldwide reputation for quality. Other capabilities are involved in the continuing research and development of new electronic components and systems for possible consumer products. However, we try to make it a practice of not announcing new watch developments until they are actually available to the consumer at retail. In contrast, a variety of exhibitors at the 1972 Swiss Industries Fair showed prototypes of quartz-based watches with dials using liquid crystals.

Our research with digital display dials has involved a variety of technologies, including liquid crystals and light emitting diodes. So far, we have confined all liquid crystal developments to the laboratory because we are not yet satisfied that they meet our minimum requirements for legibility in both indoor and outdoor light, for low-cost serviceability, for long-term reliability—and, most important for

volume selling, by passing proper life tests for consumer use.

All experimental watches with electronic digital readout dials already announced involve serious compromises that we will not accept for products bearing our trademarks. Some, for example, cannot be read clearly; others demand more than one battery thus necessitating an oversize watch case. Dials using light emitting diodes involve a high power drain that only allow visibility of the numerals "on demand"—by button control—and are not satisfactory in normal daylight.

In the quartz area, the industry, the press and the consumer have been flooded by futuristic pronouncements for the past three years, as the industry has increasingly emphasized research and new product development. Some claims made seem to have little factual basis, but today, at least, there are a number of quartz crystal wristwatches on the market, most in very limited quantities.

These cover a notably wide range of quality, reliability and size, emphasizing to all that the new Bulova Accuquartz is the only conventionally-sized wristwatch among them. Moreover it is, feature by feature, the most advanced wristwatch in the world, providing unexcelled performance and reliability to the wearer.

The new Bulova Accuquartz watch is an assembly of modules, a number of which are already used in our Accutron watch. It is similar to an Accutron watch but with a quartz crystal master frequency standard and "divider circuitry" that convert the tuning fork from a time standard, as in Accutron, to a slim "stepping motor". The tuning fork moves the hands exactly in the same manner that has proven reliable in more than 2 million Accutron timepieces in use today. Consequently, eleven years of proven in-use performance on the wrists of millions of consumers is inherent in these new products.

We expect that other new quartz watches will be introduced under many trademarks, and that there will continue to be more announcements concerning "the watches of the future." But only well-tested, reasonably priced consumer products of acceptable dimensions, available at retail in volume, will have commercial significance.

This focus on new types of watches is already, we believe, stimulating Accutron sales here and abroad, as more and more consumers demand greater accuracy than conventional balance wheel watches can provide. We believe that quartz watches will play an important role in the total picture, particularly for us. Within five years, they may attain a signifi-

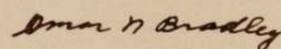
cant, but far from overwhelming, share of the market. However, we do not forecast a slowing in sales of conventional or tuning-fork watches.

Today, moreover, Bulova's strengths include worldwide servicing facilities for tuning-fork and all types of quality balance wheel watches—as well as a worldwide network of retail outlets that now serves 120 markets in addition to the United States.

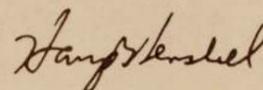
The Watch Revolution places an unusually strong obligation on the manufacturer. He must at all times seek to keep the jeweler and his prospective customers interested in, and fully informed about the new types of watches now on the market—without the use of irresponsible product claims or casual slogans that could mislead the consumer and/or retailer. We hope that other watch manufacturers and companies that have introduced quartz watches in recent months will be as prudent as Bulova so that the fine watch industry may continue to enjoy its well-earned public reputation for reliable products of the highest quality.

Bulova's responsibilities are particularly significant in the United States, because for 39 consecutive years we have been the largest marketer of jeweled-movement watches in America. With the mini Accutron watch, we are the first to offer women the benefits of tuning fork accuracy in a full variety of appealing styles. Bulova retailers should, therefore, have another special marketing advantage.

We dedicate this Annual Report to all the Bulova personnel whose outstanding skills, dedication, productivity and long-term commitment to excellence have made your Company a leader in the world watch industry.



Omar N. Bradley
Chairman of the Board



Harry B. Henshel
President

June 12, 1972

News of Operations in the United States

The U.S. Market—In 1971, the huge consumer watch market in the United States accounted for more than 25 per cent of the more than 170 million watches sold at retail worldwide. As in previous years, seven out of every ten watch dollars spent by the U.S. consumer went to buy a quality jeweled-movement watch—even though seven out of every ten watches sold at retail were pin-lever, not jeweled-lever, timepieces. Competition is extremely strong in both the quality watch area of the market and in the pin-lever, or so-called “throwaway,” area of the market.

Most encouragingly, it is now evident that the pin-lever watch is *not* eroding consumer demand at the jewelry counter for the quality jeweled-movement timepiece. Today, the millions of pin-lever owners are viewed by the jeweler as prospective customers in search of a finer quality watch.

The American Consumer—Traditionally, the fine watch was a bland product prudently designed for wear on all occasions throughout the year. Solid gold cases typified the luxury end of the mens market, while diamonds and other gems were the outstanding features of luxury watches for ladies.

But as this market was expanded into a mass market, by Bulova and other manufacturer-marketers, nearly everybody began to consider himself or herself the prospective owner of a quality watch.

As recently as twenty-five years ago, the average American owner bought a quality watch *only once every 25 years*. Today, the average American owner of a quality watch—he and she—is buying a new quality timepiece *once every seven or eight years*. In effect, millions of Americans of all income groups now are owners of “a watch wardrobe.”

It was to meet this new type of consumer demand that the Bulova brand introduced the Christian Dior high-fashion watch line for men and women almost four years ago, just before Christmas 1968. Each year since then the line has been expanded, and

each year it has sold out—to jewelers and to the fine jewelry departments of department stores.

New Technologies—Fashion styling is not the only reason for owning, wearing, wanting or buying more than one watch. Some consumers like to have a solid gold watch for formal occasions and a stainless steel one for everyday use. Others prefer “their extra watch” to have a day-and-date calendar or a color dial or be a pocket watch or a chronograph. Some—both men and women—select a rugged diver’s watch, a diamond-ornamented fashion watch or a self-winding automatic as their first new watch in years. Teenagers and college students have also become unusually interested in *different* types of watches—so that *they* can be different.

In short, many specialized styles that once had only very limited appeal have become attractive to large numbers of consumers. Bulova long ago considered these trends to be important *to the consumer*. This is why, for example, watch case production (headquartered in the Company’s Providence, R.I., Division) has been expanded in recent years, making Bulova today the only watch company to produce quality watch cases of all types. Watch case production is a sophisticated manufacturing technology that provides the consumer not only with an attractive ornament for the wrist, but also a long-lived precision part essential to the reliable performance of the watch.

Contract Manufacturing—Demonstrating anew Bulova’s many diversified industrial precision-engineering capabilities, is the Providence Division’s role as a key contractor to the Polaroid Corporation, Cambridge, Mass. During the past fiscal year, Bulova’s Providence Division was awarded a group of additional major contracts for the manufacture of a variety of essential mechanisms required for Polaroid’s new camera developments.

New Accuquartz Watch—The most dramatically new—and revolutionary—consumer technology introduced to the U.S. watch market is in the new Bulova Accuquartz wristwatch. This watch, developed and manufactured in America by Bulova, is the first quartz timepiece of conventional watch size.

Vice president William O. Bennett, the Company’s director of research and engineering, had overall responsibility for its development.

The first new Accuquartz style—a day-and-date model with 14K gold case—was introduced at retail in New York City December 7, 1971 through more than 50 leading jewelry stores. Suggested retail



A JURISPRUDENCE—Sol E. Flick (second from left), executive vice president and general counsel, with Legal Department attorneys (left to right) Lawrence F. Codraro, Company secretary and assistant counsel, Lawrence M. Nieman, assistant counsel, and Theresa A. Marmo, assistant counsel. Their specialized talents embrace all aspects of domestic and international law. **B ADVERTISING**—Vice president Arthur Schwartz (second from right), director of advertising, meets with (left to right): George Borkin, display, exhibits and packaging manager; Bernard Dwortzan, Caravelle advertising and sales promotion manager; and George Forman, advertising and sales promotion manager for the Accutron and Bulova brands. **C WORLD’S SLIMMEST**—The new Bulova Accuquartz watch, the slimmest quartz watch on the market throughout the world, by a fairly wide margin, is being introduced in four styles ranging from \$250 to \$1,200 suggested retail price. This day-and-date calendar style has a suggested retail price of \$295. **D TOP TEAM**—Vice president W. O. Bennett (center), director of research and engineering, W. W. Mutter (right), manager of the Product Engineering Department, and D. R. Koehler, manager of the Advanced Research Laboratory, had key roles in the development of the new Bulova Accuquartz watch. **E PRODUCTION PLANNING**—Vice president Robert Schwebel (center) with Gerard Frati (right), manager of assembly and order processing, and Frank Stromar, manager of data processing.

price was \$395, well below the retail prices of far bulkier quartz watches manufactured abroad. In fact, the new Accuquartz movement is slimmer than many conventional watch styles.

Jeweler and consumer response to the new Accuquartz watch has been very strong, reports vice president Michael D. Roman, the Company's national sales manager. Feature for feature it is the most advanced wristwatch in the world. A tiny vacuum-encapsulated 32,768 Hz (cycles per second) quartz crystal, developed and produced by Bulova's Electronics Division, is the new watch's master frequency standard.

The new watch will be marketed in the United States in four men's styles retailing from a suggested \$250 for a non-calendar stainless steel style to \$1,200 for an 18K gold day-and-date calendar style with matching 18K gold mesh bracelet.

New Accuracies—"How accurate is that watch?" has become a common customer question in jewelry stores—thanks to "The Watch Revolution" started by the Bulova Accutron tuning-fork watch.

It was the first watch to offer the consumer a guarantee of in-use accuracy. This guarantee states that each Bulova Accutron watch will maintain an accuracy to within 60 seconds a month, and can, if necessary, be adjusted to maintain that accuracy for the consumer.

This guarantee of accuracy does not represent, of course, the highest in-use accuracy that can be achieved by an Accutron watch. On the contrary, the accuracy specified is one that all Accutron watches can achieve without difficulty.

Why first? It is important that the consumer understands why Bulova was the first watch company in the world to offer the public a guarantee of in-use accuracy. Very simply, it is because the Accutron tuning fork performs consistently and predictably, unlike the balance wheel.

New Claims—Nevertheless, in recent years some watch brands have introduced balance-wheel watches with in-use accuracy guarantees similar to the Accutron guarantee. More recently quartz crystal watches have been advertised by claims for higher accuracies. The new Bulova Accuquartz wristwatch is accurate to within 60 seconds a year.

Conflicting Claims? A jeweler's customer may reach the conclusion that all the quartz watches are more accurate than the Bulova Accutron tuning-fork watch. That is not a correct conclusion, even though

the claimed accuracy for a particular quartz watch may be greater than the accuracy guaranteed for the Bulova Accutron watch.

Owner Regulation—The key distinction to be kept in mind is that the Bulova Accutron watch is potentially more accurate than its guaranteed accuracy. In fact, it is unique in that the owner can regulate it at home to keep it easily within one or two seconds of the correct time all year long—provided the owner has access to an accurate time source. How this is being done by many consumers is easily learned. As a slight change of rate can be attained by storing the timepiece overnight in different positions, precise regulations can be accomplished. (See page 16.)

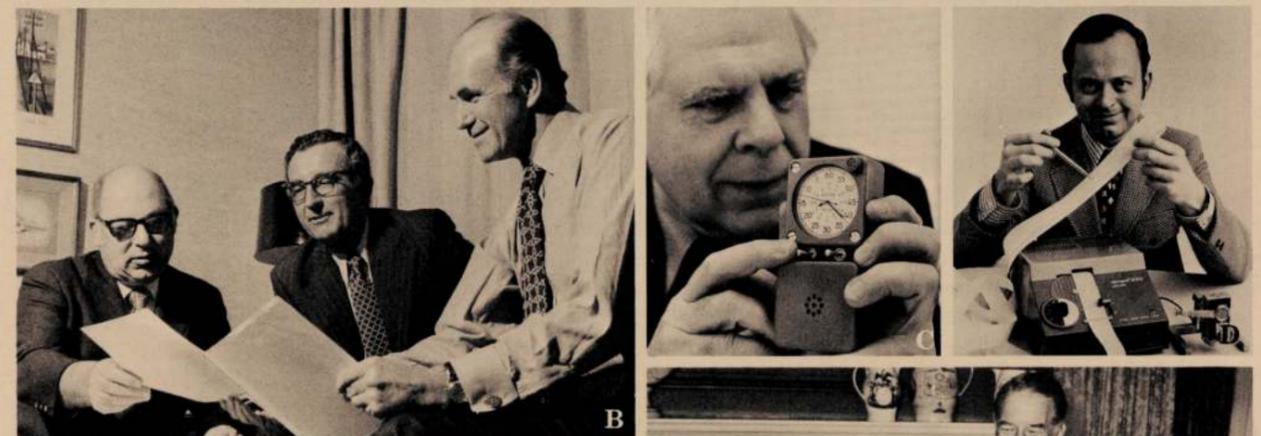
Checks with the accurate time source, will reveal to the owner how frequently this has to be done so that the watch displays time to within one or two seconds of the correct time, day in and day out, all year long. The maximum correction is about 1.5 seconds in an 8 hour period.

In effect, the Bulova Accutron watch in the possession of the thoughtful consumer—with access to a correct time source—can be more accurate in actual use than any of the quartz watches introduced so far. It is the only timepiece, be it balance wheel, tuning fork or quartz, that can be self-regulatory.

Clocks—The Company's Clock Division, headquartered in Woodside, N.Y., continued to expand its marketing program and its line of consumer clocks. The new Bulova clocks were premiered—for the first time—at the National Housewares Manufacturers Association Show in McCormack Place, Chicago, in July, 1971, and Bulova clock exhibits have been scheduled throughout 1972 at all leading regional gift shows in the United States. The new 1972 line (introduced at the Chicago Housewares Show in January, 1972) includes more than 200 styles ranging in suggested retail price from \$6.95 to \$850.

The expansion of our clock line, reports George C. Sheinberg, division head, reflects recognition by consumers and retailers alike that Bulova is becoming a major factor in clock marketing. These fashionable new clocks are designed to generate greater traffic, stimulate the consumer's buying urge and multiply the retailer's profit by accelerating inventory turnover. Among new trend-setting styles are multi-colored, day-and-date, battery-powered clocks. During the fiscal year, sales rose 60 per cent and operations reached a break-even level a year ahead of schedule.

A Bulova Computron clock, that offers the time of day in any of the world's 24 standard time zones



A NEW CLOCK LINE—George C. Sheinberg, head of the Clock Division, with some of the more than 200 styles in the 1972 Bulova clock line. B SALES—Michael D. Roman (right), vice president and national sales manager, with William Alpern (left), Eastern sales vice president, and Frank Owen, manager of sales administration. C FOR SKYLAB—Egbert Van Haften, director of the Bulova Timer Laboratory, inspects new Accutron "count-down" (reverse-dial) alarm clock for U.S. Skylab astronauts. D WATCH TIMER—The new solid-state WatchMaster Vibrograf watch-rate recorder is designed to check the accuracy of all balance wheel and tuning-fork watches, including the new mini Accutron watch. E READY TO GO—New Bulova Diamond Set Masters, ready for shipment to jewelers, are inspected by Herbert Novick (right), director of the Technical Sales & Services Division. F WASHINGTON—Ambassador Emil Mosbacher, Jr. (center), Department of State's Chief of Protocol, and Mrs. Mosbacher accept Bulova Computron clock for Blair House, the Presidential guest residence, from Harry B. Henshel.

at the flick of a fingertip, is now installed in the Delegates Lounge at United Nations Headquarters in New York. The clock was formally presented to the U.N. Secretary General by U.S. Ambassador to the United Nations, George Bush. Another Bulova Computron clock is in Blair House, the official residence across Pennsylvania Avenue from the White House in Washington used by visiting Chiefs of State and other guests of the President of the United States.

Service—Like the finest professional jeweler, Bulova knows that a quality product may make a sale, but only fine service makes a customer. The fine watch, of course, has the distinction of being the *first* quality product designed for reliable long-term use *provided* it is serviced professionally.

As consumer demand for quality watches has grown, Bulova expanded its nationwide watch service and repair programs. During the past fiscal year, the Technical Sales & Services Division, headquartered in Woodside, N.Y., increased its staff of service personnel to more than 225. That is three times the size of Bulova's domestic service staff of a decade ago, says division director Herbert Novick, and many times the size of the service staff of any other watch company in America.

A new five-day course was introduced during the fiscal year, designed to thoroughly update the skills of even the most experienced service specialist. The courses are offered free at our regional service centers in New York, Los Angeles, Dallas, Lake Forest, Ga., and Broadview, Ill.

More than 18,000 of the nation's estimated 35,000 watchmakers (many of whom are jewelers) have attended the variety of shorter Bulova service courses offered in more than 100 cities annually during 1965-71. These short courses have now been replaced by three-hour "diagnostic seminars" designed specifically for jewelers and watchmakers.

During the year, the Technical Sales & Services Division's WatchMaster Products introduced the new Vibrograf B-200 solid-state watch-rate recorder, a new stereo microscope specially designed for watch service and gemological uses, and new accessories for the Bulova Diamond Set Master.

The division's Material Sales Department reported record sales of both watch parts and of Accutron power cells.

The Presentation & Incentive Division—During the fiscal year, this division became the leading watch marketer in the U.S. premium and incentive award market, division director Earl C. Lynch reports. Today, Accutron, Bulova and Caravelle

watches and clocks are used throughout American industry as sales incentives, dealer incentives, sweepstakes and as special awards for many different categories of in-company activities. Starting in 1970, we developed a Service Award Associate program for jewelers, Mr. Lynch adds. More than 1,400 jewelers, last year, worked closely with this division as Associates. In the last quarter of the fiscal year, January-March, 1972, traditionally a low retail period for jewelers, our premium and incentive sales rose 46 per cent above year-earlier levels. Among the companies now using Bulova and Accutron watches as service awards are: IBM, ITT, Boeing, American Airlines, Shell, Texaco, United Airlines, Pepsi-Cola, Lever Brothers, Western Electric, Goodyear, Timken Roller Bearings and Philip Morris.

The Electronics Division reported lower sales for the year. Its Quartz Crystal Department, Crystal Filter Department and Optical Department each developed a series of new products to serve such new specialized markets as those for anti-pollution detectors, medical diagnostic instrumentation, high-speed ground transportation, surface-to-ship sonar systems, and stack-emission monitoring. The Servo Products Department increased its D.C. Amplifier line, generating servo orders for units used in high-speed phototypesetters, antenna drives and automatic computer graphic equipment.

Most significantly, as reported above, the Electronics Division developed and is manufacturing the specialized 32,768 Hz (cycles per second) quartz crystal for the new Bulova Accuquartz watch.

The Bulova Timer Laboratory continued to market the Accutron Marine Navigator clock, the official time standard for the 1970 America's Cup Race, and the largest selling consumer marine chronometer in the United States. The Laboratory is primarily concerned with specialized timing systems for space, oceanography, research, industrial and other highly technical applications, most of which use long-duration programmed Accutron clocks and timers.

Among the customers served during the year were Ampex Corporation (for a TV editing device), the Massachusetts Institute of Technology (for a study of volcano ballistics), the University of Chicago, the U.S. Department of Agriculture (for a remote forest fire detection system), the U.S. Earthquake Mechanism Laboratory, Purdue University (for a severe storm research project), the Naval Air Development Center (for a formation flying collision avoidance system), and Boller & Chivens (for a study of solar astronomy).



HIGHLIGHTS OF
CONSUMER
ADVERTISING

THEY TELL IT LIKE IT IS.

After you've been lied to, cheated on and humiliated enough times, you finally face the truth. Your watch is a hopeless case.

And there's only one thing to do about it.

Forget the past. Form a new, meaningful attachment with an Accutron® watch.

It has a tuning fork movement

guaranteed to tell the truth to within a minute a month.*

It'll remain faithful, month after month, without any winding.

And with every look at its honest face, the bitter memory of your former watch's deceit will slowly fade away.

Time heals all wounds.

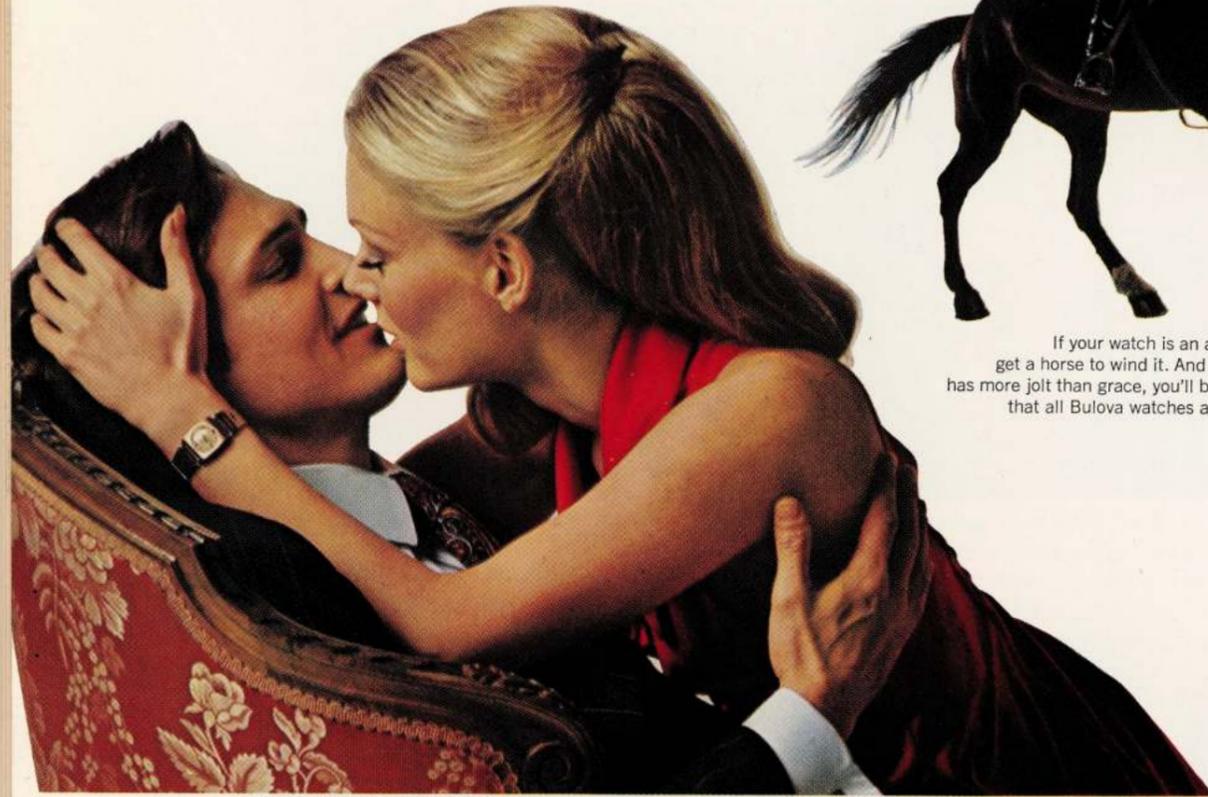
ACCUTRON® BY BULOVA

From left to right: Accutron Astronaut Mark II "H". Tells the time in two different time zones simultaneously. Calendar. All stainless steel. \$195. Accutron "261". Brushed stainless steel case. Calendar. Black calf strap. \$150. Accutron Date/Day "A". 14K solid gold case with 14K solid gold band. Gold applied Roman numerals and markers. Date resets instantly. \$700. Accutron Date/Day "AU". Satin finish stainless steel case. Black turtle strap. Date resets instantly. \$175. Ask your dealer to show you the many Accutron styles from \$110. *Timekeeping will be adjusted to this tolerance, if necessary, if returned to Accutron dealer from whom purchased within one year from date of purchase.

Take the boredom out of winding your watch.

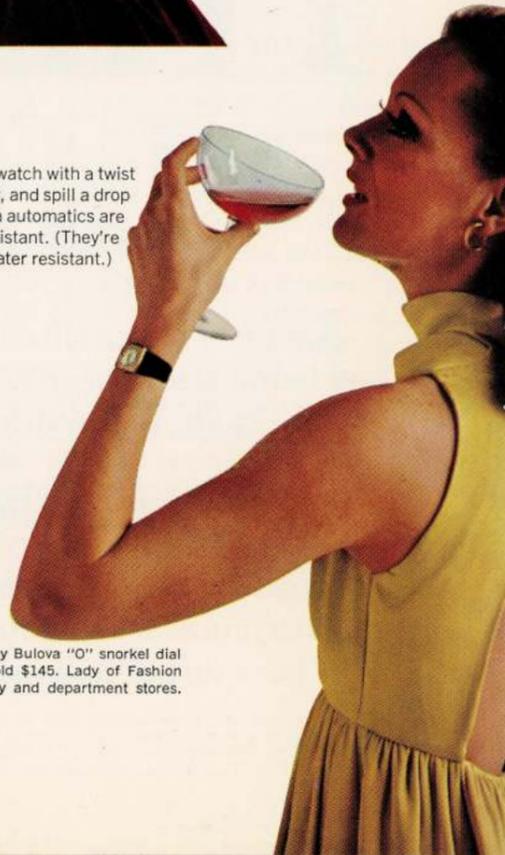


If your watch is an automatic, you can get a horse to wind it. And if your riding style has more jolt than grace, you'll be relieved to know that all Bulova watches are shock resistant.



This is actually the wind-up of more than a beautiful evening. Every stroke of his hair is also the wind-up of a beautiful precision timepiece; a Bulova ladies' automatic.

Another marvelous way to wind a watch with a twist of the wrist. If you get carried away, and spill a drop or two, don't worry. Most Bulova automatics are champagne resistant. (They're also coffee, tea, and water resistant.)

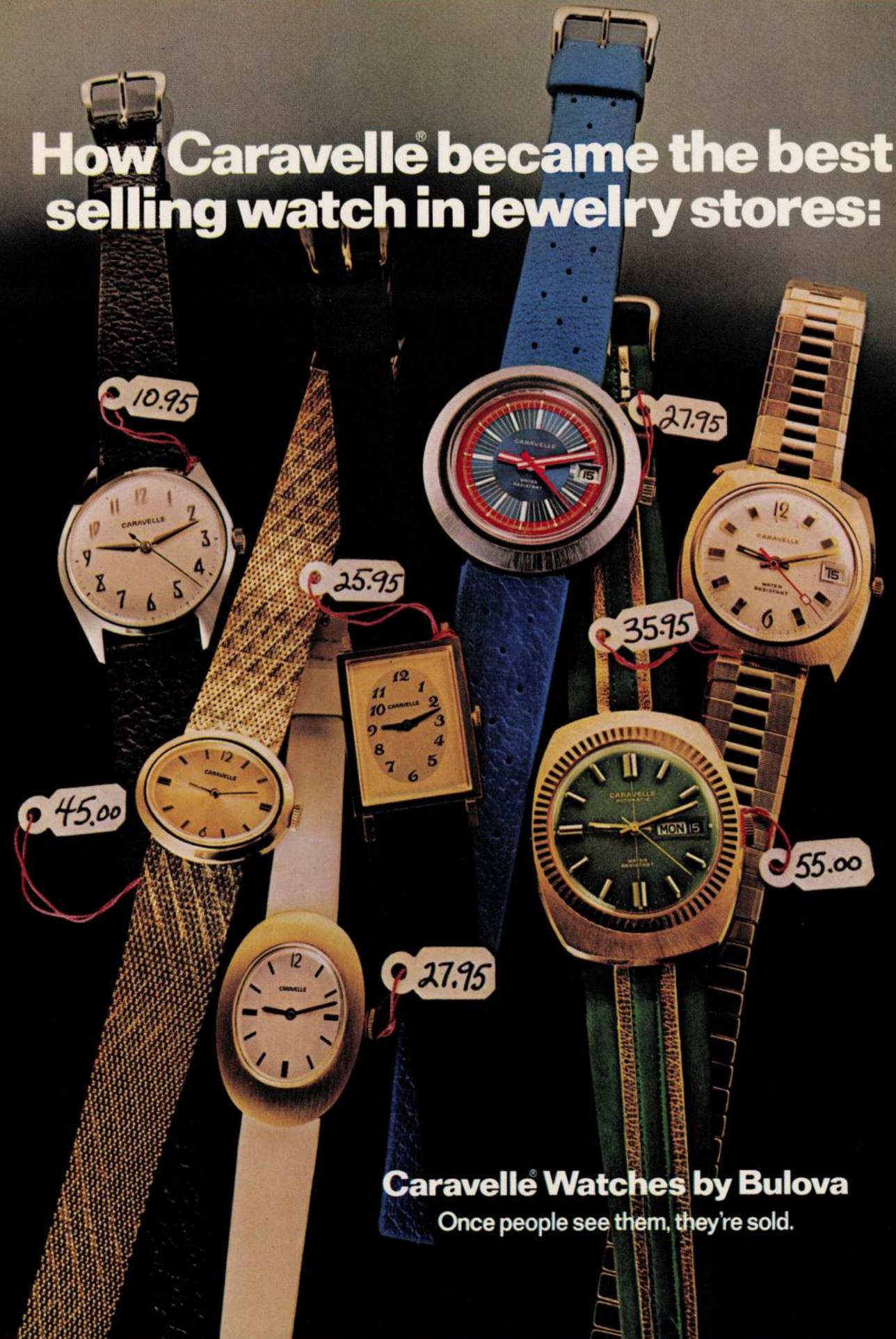


Bulova Self-winding Ladies' Watches.

Self-winding calendar watches featured from left to right: Lady Bulova "O" snorkel dial \$110. Lady Bulova "L" \$100. Lady Bulova "P" 14K solid gold \$145. Lady of Fashion "CA" \$80. Other Bulova automatics from \$70 at fine jewelry and department stores.



How Caravelle® became the best selling watch in jewelry stores:



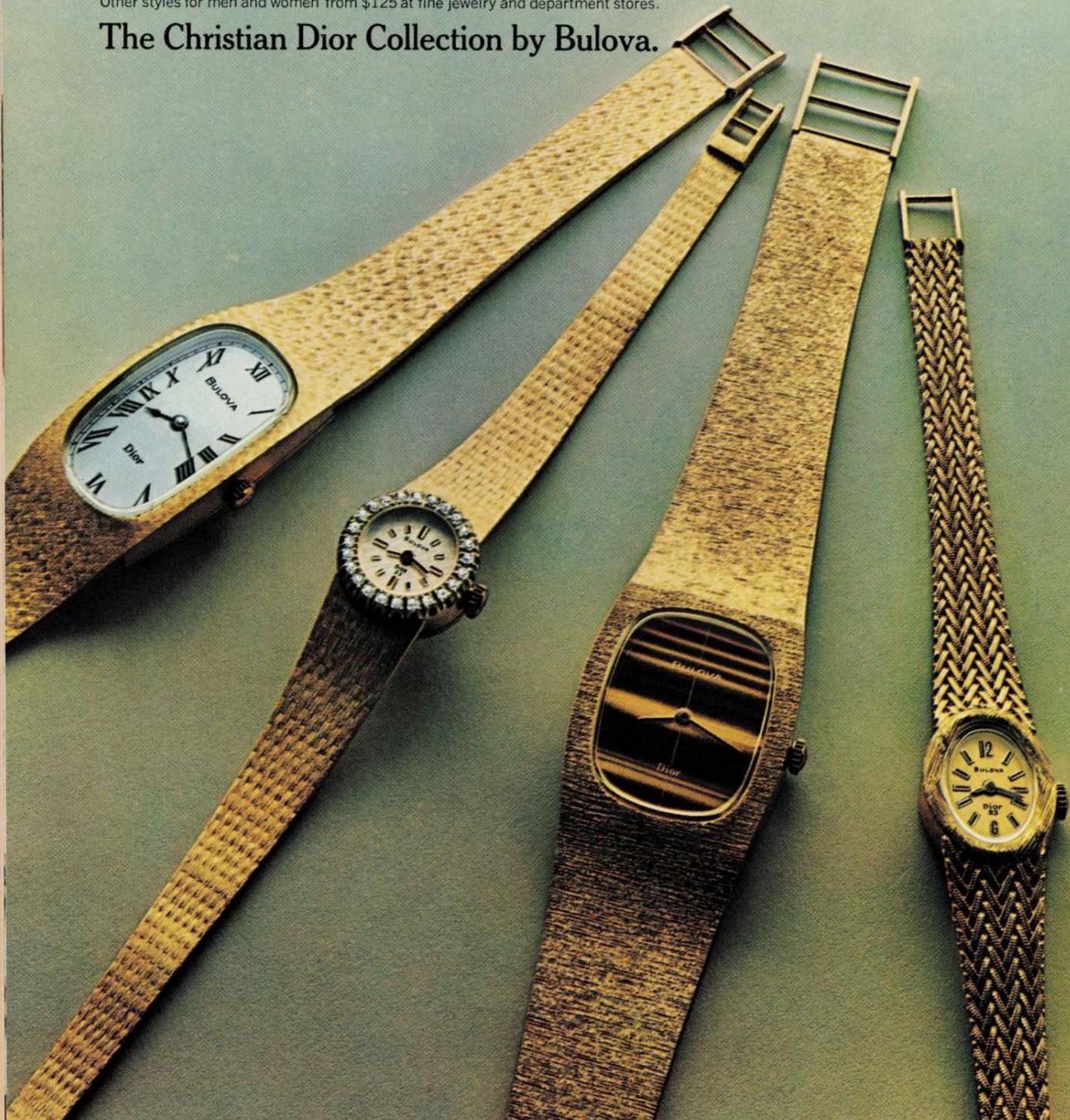
Caravelle® Watches by Bulova

Once people see them, they're sold.

Inside every Dior body there beats a heart of solid Bulova.

From left to right: *Christian Dior "GK"*—17 jewels, finely florentined 14K solid gold case and band. \$450. *Christian Dior "BW"*—23 jewels, ring of 24 diamonds set in 14K solid gold case and bracelet. \$475. *Christian Dior "GM"*—17 jewels, case and band crafted in bark-textured 14K solid gold. \$495. *Christian Dior "EF"*—23 jewels, case and bracelet braided in 14K solid gold. \$300. Other styles for men and women from \$125 at fine jewelry and department stores.

The Christian Dior Collection by Bulova.



From left to right: Accutron Date and Day "AU". Stainless steel, water resistant, turtle strap. \$175. ■ Accutron Date and Day "AW". Brass applied markers, water resistant. \$225. ■ Accutron Deep Sea "B". Stainless steel, depth-tested to 666 feet, elapsed time indicator, sharkskin strap. \$185. ■ Accutron Date and Day "AV". 10K gold-filled, gilt dial, Corfam strap. \$195.



From left to right: Bulova Golden Clipper "G". 17 jewels, all stainless steel, automatic, water resistant. \$95. ■ Bulova Clipper "AM". 17 jewels, automatic, water resistant. \$90. ■ Bulova Oceanographer "V". 17 jewels, all stainless steel, automatic, depth-tested to 666 feet, elapsed time indicator. \$100. ■ Bulova Clipper "Y". 17 jewels, automatic, water resistant. \$85.



From left to right: Caravelle Date/Day "E". 17 jewels, water resistant. \$27.95. ■ Caravelle Date/Day "AF". 17 jewels, automatic, touch-set date, water resistant, luminous. \$55. ■ Caravelle Date/Day "AD". 17 jewels, stainless steel, automatic, touch-set date, water resistant. \$49.95. ■ Caravelle Date/Day "AK". 17 jewels, all stainless steel, automatic, touch-set date, water resistant. \$59.95.

**BULOVA BRINGS YOU 8:22,
SAT. THE 15TH
FROM \$27.95 TO \$225.**

A hand-picked selection of men's date and day watches: Accutron, with the incredible accuracy of the tuning fork movement. Bulova, the name that set the standards for craftsmanship and dependability. Caravelle, the largest selling jeweled-lever watch in the country. Available at fine jewelry and department stores.

ACCUTRON®, BULOVA® AND CARAVELLE® DATE AND DAY WATCHES.

A Bulova doesn't have to be worn on the wrist.



"Flair" fashion clocks shown: small fashion stripes \$12.95, large stripes \$13.95, color cubes \$11.95, date and day \$14.95. See over 200 clock styles... for table, desk, wall and travel. At department stores, jewelry stores and gift shops. © Bulova Watch Co., Inc., 630 Fifth Ave., New York, N.Y. 10020. (212) LT 1-0400

Whether it's made for a wrist or a room, you can always depend on a Bulova for fashion and accuracy. These colorful clocks, part of our bold new "Flair" collection, will fit into almost any room. They're inexpensive, but they're just as beautifully designed as clocks you'd pay a lot more for.

Now you can tell time with the Bulova Flair.

Consumer Advertising Schedule 1971-1972*

TV

Dick Cavett
 Flip Wilson
 Johnny Carson
 Dean Martin
 The Odd Couple
 Laugh-In
 Owen Marshall
 Saturday Night Movies
 Sunday Night Movies
 Monday Night Movies
 Ironside
 Adam-12
 NBC Nightly News
 The D.A.
 American Football Conference
 ABC Movie of the Week
 The Good Life
 The Bold Ones

Print

Life
 Reader's Digest
 Time
 Newsweek
 U.S. News & World Report
 Sports Illustrated
 The New Yorker
 Playboy
 National Geographic
 Esquire
 Glamour
 Psychology Today
 Wall Street Journal
 Business Week
 N.Y. Times Magazine
 Sporting News
 Playbill



*partial

Debut advertisement for
mini Accutron Watches as it
appeared on December 7, 1971 in
leading publications in France.



For Your Convenience
English translation of primary copy in
facing advertisement is as follows:

*WOMAN IS BORN THE EQUAL OF MAN,
ONLY HER WRIST IS SMALLER.*

Bulova creates the Lady's Bulova Accutron, the first tuning-fork watch for ladies. Its precision is guaranteed—in writing—at 99.9977%, as for men's watches.

The Lady's Accutron never needs winding (even if you put it in a drawer for 6 months it will continue to show the right time). It never gets old (there's no friction in the Accutron movement).

The mini Accutron, in plain and fancy case, sanctions the equality of man and woman before eternity.

la femme est née l'égale de l'homme, seulement son poignet est plus étroit.

Bulova crée Bulova Accutron dame, la première montre à diapason pour dame : sa précision est garantie par écrit à 99,9977%, comme pour les hommes.

L'Accutron dame ne se remonte jamais (même placée dans un tiroir pendant 6 mois elle continue

de donner l'heure juste). Elle ne vieillit jamais (il n'y a pas de friction dans le coeur des Accutrons).

En boîtier classique ou en boîtier ouvert, la mini Accutron consacre l'égalité de l'homme et de la femme devant l'éternité.

BULOVA
ACCUTRON
maintenant pour elle aussi.

A chaque seconde, Bulova vous donne une certitude.

Bulova Accutron : Homme à partir de 595 F - Dame à partir de 490 F

The Systems & Instruments Division continued its industrial marketing of the Bulova Mini Handler and Bulova Micro Handler automation systems.

The Mini Handler is particularly adapted to the testing of transistors and other semiconductor devices that are symmetrical and require no quadrant orientation, but is also useful for the computer-controlled assembly of tiny button diodes. The Micro Handler has been enhanced by special stack-loading equipment developed by the division and ordered by the automotive industry for the assembly of car radio modules and solid-state voltage regulators. Other new Micro Handler developments permit the automated system to handle "beam-lead" devices, a particularly delicate type of integrated circuit.

Personnel—During the past fiscal year, there was an average of 6,500 full-time Bulova employees worldwide.

Of the 4,500 Bulova employees in the United States, 5 per cent are physically handicapped individuals, 30.3 per cent are members of minorities (whose employment must be reported to the U.S. Office of Federal Contracts Compliance as required by the U.S. Equal Employment Opportunity laws and regulations), and 54.9 per cent are women.

At the U.S.-owned *William Langer Jewel Bearing Plant* in Rolla, N.D., operated by Bulova, 90 per cent of the 170 engineers and technicians are Chipewa Indians from the adjacent Turtle Mountain Reservation. This plant, under general manager R.M. Schultz, is considered an outstanding example of the employment in modern industry of American Indians living on their tribal reservation. The plant is the sole domestic producer of jewel bearings.

During the fiscal year, the *Bulova Pension Plan* for the Company's employees in the United States, started in 1943, paid out a total of \$1,320,846 to retired employees and their beneficiaries. During the past decade, a total of 744 retirees and their beneficiaries received \$9,297,728. During the past fiscal year, 74 more employees retired under the plan.

The *Bulova Watch Company Foundation program of competitive college scholarships* for the sons and daughters of employees with more than 5 years of service, established in 1953, has paid out a total of \$756,504 to 515 scholarship winners and the 119 colleges they chose to attend. During the past fiscal year, 41 scholarships were awarded.

News of Bulova Operations Abroad

The 1971-72 fiscal year was one of significant achievements as well as some unexpected disappointments for Bulova and its subsidiaries around the world.

Sales Abroad of consumer products reached record levels, rising more than 17 per cent above the year before to more than \$26 million. These sales for the first time accounted for more than 21 per cent of the Company's total consumer product volume.

Excellent gains in Italy (our number one foreign market) and Canada were more than offset by the very poor results of three of our foreign subsidiaries where higher than anticipated losses occurred. Reorganization efforts have begun and marked improvements are anticipated in the current fiscal year.

Distribution of consumer products expanded significantly in a number of major markets, including Canada, Great Britain, West Germany and France, as more jewelers began carrying the Bulova Accutron and Bulova brand lines. During the year, there was an increase of more than 10 per cent in the number of Bulova jewelers abroad, as the number of Bulova markets outside the United States rose from 115 to 120. Major national markets (Canada, Italy, Great Britain, West Germany, France, Mexico, South Africa and Switzerland) are served directly by wholly-owned Bulova subsidiaries. Other markets abroad are served indirectly by Bulova International, Ltd. (headquartered in Bienne, Switzerland and with its own regional offices in Hong Kong and Tokyo), which reaches jewelers through distributors abroad.

Manufacturing activities abroad expanded as the Bulova-Citizen plant in Japan at Fujiyoshida, 60 miles from Tokyo, became fully operational in September, 1971, and as the Pacific Time Corporation plant on American Samoa started production in January, 1972. The Bulova-Citizen plant, 51 per cent owned by Bulova and 49 per cent owned by Citizen Watch Company of Japan, is the first tuning-

fork watch plant outside of Switzerland and the United States. The plant on American Samoa, the Company's 21st plant and the 11th new plant added since 1965, assembles jeweled watch movements from components produced by Bulova facilities in Switzerland. Pacific Time Corporation is a wholly-owned Company subsidiary.

The Bulova mini Accutron watch line, offering women the world's first highly styled collection of tuning-fork watches, was introduced by retailers in France on December 7, 1971 (the same day the new Bulova Accuquartz watch was introduced at retail in New York City). It has since been marketed in Switzerland and Italy, and this fall will reach consumers in Germany, England, Canada and the United States. Worldwide distribution will come early in 1973. This new high-fashion watch collection promises to double the worldwide market for tuning-fork watches. Until now, Bulova Accutron timepieces have been designed almost exclusively for men.

A new Bulova Design Center was opened in Bienne, Switzerland to further enhance the short range program of styling objectives for the Company's watch lines. This new design center complements the work of the Bulova Design Center in Geneva, Switzerland, which develops the Company's long range program of styling trends. The ever increasing importance, in most markets, of fashion styling, for men's and women's watches, requires the continual expansion of the Company's long and short-range design programs—to permit Bulova to continue as a world leader in watch fashions. During the year, Bulova designers won the 1971 *Prix de la Ville de Geneve* award in the ladies electronic watch category, the world's most prestigious jewelry design contest. A mini Accutron ladies watch won the prize, and two other mini Accutron watch styles won honorable mention in the contest. Bulova designers also won two 1971 *Golden Rose* awards in West Germany's international jewelry design competition held in Baden-Baden. In addition, a special prize was presented at Baden-Baden to the Bulova Design Center in Geneva, for the most attractive pearl-ornamented watch style entered.

The new Bulova Accuquartz watch, the world's first conventionally-sized quartz wristwatch, won the Gold Medal of the Salon International des Inventeurs of Brussels, Belgium. (In 1968, the Bulova Accutron wristwatch had won the Gold Medal.) His Excellency Henri Montrini, Swiss Ambassador to Belgium, made the presentation of the award, which was



A BELGIUM—Gold Medal awarded to the new Bulova Accuquartz watch is accepted by Jacques Vandenhoven (left), Bulova International distributor in Belgium, at Brussels Salon International des Inventeurs. Swiss Ambassador Henri Montrini makes presentation. B SWITZERLAND—Harold L. Rapp (center), president of Bulova International, Ltd., meets in Bienne headquarters with J. F. Campisi (left), executive vice president of Bulova International, and Jeremy Swann, advertising manager. C ITALY—Rino C. Negri, head of the Company's Italian marketing subsidiary, in his Milan headquarters. D HONG KONG—This Bulova cesium-beam atomic "time distribution center" has been installed at Hong Kong's International airport.

accepted for Bulova by Jacques Vandenhoven, of Agécobel, S.A., Bulova International's distributor in Belgium.

Special Bulova exhibits reached important trade and consumer audiences around the world. The most eventful such exhibit was the City of Geneva *Montres et Bijoux* show that toured South and North America. Prize watches of all major Swiss brands were part of the exhibit, including Bulova mini Accutron ladies watches that won awards in the 1971 *Prix de la Ville de Geneve* jewelry design contest. The show visited: Buenos Aires and Rosario, in Argentina; Rio de Janeiro and Sao Paulo, in Brazil; Caracas, Venezuela; and Los Angeles and New York, in the United States. The Company also participated in fairs in Tokyo, Basle, Istanbul, Hanover, Baden-Baden, Milan, Versailles, Valencia, Vienna, Brussels and Utrecht. In addition, a special Bulova exhibit took place in Singapore.

Tuning-fork watch movements, manufactured by Ebauches, S.A., Switzerland's largest watch movement manufacturer, under its 1968 licensing agreement with Bulova, resulted in increased income to Bulova. Ebauches, S.A. tuning-fork movements, manufactured under the terms of the licensing agreement, were marketed by five other major Swiss brands of watches: Eterna, Omega, Longines, Baume & Mercier and International Watch Company (IWC) of Schaffhausen. Ebauches pays Bulova a royalty on each tuning-fork watch sold by Ebauches to these companies. The effect is two-fold: first, there is additional revenue to Bulova; second, the tuning-fork watch market is further expanded, thus stimulating Bulova Accutron tuning-fork watch sales to jewelers and consumers. Other Swiss brands are expected to enter the tuning-fork watch market in the year ahead. In Japan, where Bulova-Citizen is 49 per cent owned by Citizen Watch Company, Japan's second largest watch manufacturer, 50 per cent of the tuning-fork watch production is being sold to, and marketed by, Citizen under the Hi-Sonic brand name. The Bulova-Citizen Company also pays a royalty to your Company on each tuning-fork watch manufactured.

Marketing in Japan—In anticipation of the start of full production by the Bulova-Citizen plant, Bulova International's watch marketing activities were expanded in Japan—the world's second largest watch market. The initial marketing expense, however, during this transitional period, caused a loss for the year. As the plant went into initial produc-

tion, Bulova for the first time had its own source of product supply within Japanese tariff barriers, permitting (a) lower suggested retail prices on the Bulova Accutron watch line marketed in Japan, and (b) an increasingly larger supply of Bulova Accutron watches for marketing in Japan. Eventually, it is expected that the Fujiyoshida plant will also produce conventional balance-wheel watches for Bulova, which will permit the marketing of a complete *domestically-produced* Bulova line in Japan. This development is, however, several years away.

Marketing Expansion Continues—Harold L. Rapp, president of Bulova International, has emphasized that the expansion of Bulova's marketing activities abroad proceeded vigorously notwithstanding unsettled economic conditions in many countries during 1971. Currency revaluations significantly affected prices to distributors, and, in turn, to jewelers and consumers.

As the fiscal year ended, Mr. Rapp reported, the monetary problems that affected so many of the world's currencies during 1971 seem to have stabilized. Fortunately, Bulova's facilities are mainly in Switzerland, a nation with strong currency. Consumer watch demand continues strong, and is, in fact, expected to double in our international markets by the 1980's.

In planning marketing strategy, Mr. Rapp emphasizes to Bulova International distributors that jewelers are not really in competition with each other. In the jewelry industry—manufacturers, distributors and jewelers, he stresses, are really competing for the public's attention against *other* types of retail products, against *other* types of retail outlets and against *other* industries, all of whom continuously offer new items to vie for the consumer's favor. Our problem as an industry is, therefore, to attract and capture the favorable attention and interest of the consumer.

Assisting in focusing attention on Bulova was a widely read issue of *The Reader's Digest*, which ran its first article on watches in more than ten years in eleven different international editions early in 1972. The text reports that the Bulova Accutron tuning-fork watch has become the worldwide best-seller among all top quality wristwatches.

Tonga's Accutron Stamps—To dramatize the worldwide significance of the Bulova Accutron tuning-fork watch, Bulova joined with the Kingdom of Tonga, on the International Dateline, "where Time begins," in a unique postage stamp project. On July 20, 1971, to commemorate the second anniversary



A BASLE—At the 1972 Swiss Industries Fair, the Hon. Shelby C. Davis (center), U.S. Ambassador to Switzerland, visits Bulova exhibit with (left to right) Harry B. Henshel, president, S. E. Flick, executive vice president, H. L. Rapp, president of Bulova International, and Andre M. Arnaud, the Company's general manager in Switzerland. B CANADA—New Bulova Timing Center at Mosport Park, outside Toronto. C PARIS—Edmond A. Blanc (center), managing director of Montres Bulova, S.A., Company subsidiary in France, in the Place de l'Opera, with Jean Paul Marquiset (left), sales manager. Note the Bulova Accutron sign overlooking this popular tourist locale. D LONDON—Bulova sign tells time in Piccadilly Circus as Anthony Reachill (center), managing director of Bulova U.K. Ltd., surveys England's most famous crossroad with other Bulova executives.

of man's first landing on the moon, Tonga issued the world's first watch-shaped postage stamps—showing a full-size Bulova Accutron "Spaceview" wristwatch in full color.

Two years earlier, the U. S. Apollo 11 astronauts had emplaced scientific instruments incorporating a Bulova Accutron timer on the moon's Sea of Tranquility, and today Bulova Accutron movements in scientific equipment are the only watch movements on the moon.

Bulova's key objective was to identify the Bul-

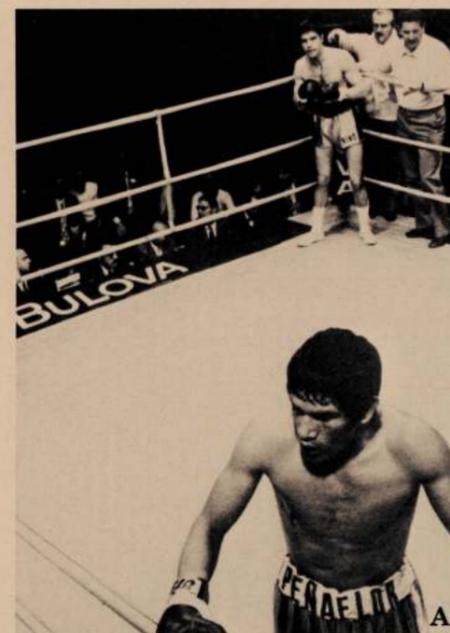
ova Accutron watch dramatically—and so distinguish this Space Age timepiece from conventional watches.

The number of styles now offered abroad by the Bulova Accutron, Bulova, Caravelle, Dior and Universal Geneve brands now exceeds 1,400, probably the largest selection of watches of any international watch marketer. These styles range across the full spectrum of retail prices for quality watches in the consumer markets they serve.

Bulova's Watch Markets Around the World

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

* Indicates direct marketing organizations.



A ON WORLDWIDE TV—The middleweight championship fight in Monte Carlo between defending champ Carlos Monzon (foreground) of Argentina and challenger Nino Benvenuti of Italy, was covered by TV around the globe. Monzon won. B MORE TV—Bulova was on the track when the World Bicycle Championships took place in Varese, Italy, covered by TV in Europe and South America. C AFRICA—General Jean-Bedel Bokassa (right), president of the Central African Republic, accepts a Bulova Accutron wristwatch during a presentation ceremony in the Presidential Palace in Bangui. D MEXICO—Melchor Loret de Mola (right), head of the Company's Mexican subsidiary, with Arturo Servin, president of the Joyerias Servin Meza, at a Bulova Accutron trade conference in Morelia, State of Michoacan.

Perspectives on Bulova

Corporate Dialogue—In recent years, corporations have been subjected to searching questions, not all of them directly related to product or financial performance. Moreover, when a corporation is *the* industry leader, as is Bulova, the responsibilities of corporate citizenship multiply in the eyes of the public. Here are some typical questions your management has been asked during the past year.

Question: How long has Bulova been engaged in government contracts?

Answer: Historically, Bulova has been called upon by our country on many occasions to lend its unique capabilities to the U.S. government in the areas of national defense as well as human resources. For the past 27 years, a portion of Bulova's business has been military. We have always been a consumer oriented company, and our energies are primarily directed toward the consumer. Advances in technique have permitted us to respond to an increasing number of government needs for special products.

Question: Are quartz watches *necessarily* more accurate than the Bulova Accutron tuning-fork watch?

Answer: No, even though the stated accuracy for a quartz watch is greater than the *accuracy guaranteed* for the Accutron watch, which is to within 60 seconds a month.

The Accutron watch is *unique* because the owner can regulate it at home to keep it easily within one or two seconds of the correct time all year long, provided he has access to an accurate time source. *No other balance-wheel, tuning-fork or quartz watch can be regulated by the owner.* Here's why.

The Bulova Accutron watch runs *predictably slightly slower* when it is positioned, on its edge, with the 12 o'clock on the dial *up* as opposed to when the watch is in the flat (dial up or dial down) positions. When it is positioned on its edge with the 12 o'clock on the dial *down*, it runs *slightly predictably faster* than when it is in the flat position. In all other positions, unlike balance wheel watches, its timekeeping rate remains the same. It is this slight change of rate,

in these two positions, that permits the owner to regulate his own Accutron watch, by positioning it appropriately.

In effect, the Bulova Accutron watch in the possession of the thoughtful consumer with access to a correct-time source is potentially more accurate *in actual use* than *any other watch*.

Question: What are the *current* statistics on Bulova's employment of minorities?

Answer: Bulova has had an equal employment opportunity policy *that antedates by decades* the equal employment opportunity policies now required by federal and state laws. Moreover, Bulova's minority utilization has been above 20 per cent for many years, an unusually high percentage for a high-labor-skill industrial firm. Of the 4,500 Bulova employees in the United States, 30.3 per cent are members of minority groups. In *New York State*, minority utilization at Bulova plants exceeds 28 per cent, as compared to a 15 per cent minority utilization reported for industry statewide by the New York State Department of Labor. In New York City, minority utilization at Bulova facilities is 29.7 per cent, or almost twice the statewide industry average.

Question: The news media report from time to time that the President of the United States has presented Bulova Accutron clocks as gifts. Is this a new policy?

Answer: Bulova Accutron clocks were used as Presidential gifts during the administrations of Presidents John F. Kennedy and Lyndon B. Johnson, and President Richard Nixon also presents Bulova Accutron clocks to Chiefs of State and Heads of Government. However, each President has selected his own styling, and in all cases none of these specially designed and cased Bulova Accutron clocks have been available commercially. The exceptions have been when a President has purposely selected an Accutron Marine Navigator chronometer because the intended recipient was known for his nautical interests.

We are proud that the technological and styling qualities of our products have been recognized in this exceptional manner by three Presidents of the United States.

Ten Year Financial Review

Fiscal Years Ended March 31 (000's omitted)

	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963
Operating Results:										
Net sales	\$146,638	\$145,265	\$158,657	\$148,929	\$139,753	\$123,877	\$99,755	\$84,201	\$72,969	\$63,263
Income before income taxes and minority interests	8,601	12,540	14,943	12,982	8,927	7,200	6,169	5,460	4,007	2,878
Net Income	3,950	6,190	6,782	5,944	4,537	3,900	3,244	2,785	2,432	1,483
Cash Dividends paid	2,240	2,201	2,074	1,778	1,460	1,207	1,182	1,158	1,121	1,110
Earnings retained after cash dividends	1,710	3,989	4,908	4,166	3,077	2,693	2,062	1,627	1,311	373
Per Share Data:										
Net income per share*	\$1.06	\$1.69	\$1.92	\$1.79	\$1.42	\$1.24	\$1.03	\$.89	\$.78	\$.48
Net income per share based on average number of shares outstanding during 1972	\$1.06	\$1.66	\$1.82	\$1.59	\$1.22	\$1.05	\$.87	\$.75	\$.65	\$.40
Net income per share assuming full dilution ...	\$1.06	\$1.57	\$1.76	\$1.58	\$1.25	\$1.09	\$.93	\$.79	—	—
Cash Dividends paid per share .	60¢	60¢	58¢	54¢	46¢	38¢	38¢	37¢	36¢	36¢
Stock Dividends and Stock Split	—	—	50%	2%	2%	2%	2%	2%	—	—
Financial position (Year-end):										
Current assets ...	\$132,861	\$122,347	\$111,554	\$103,128	\$104,187	\$99,259	\$88,240	\$74,003	\$62,229	\$54,792
Current liabilities	45,262	34,088	24,946	40,907	43,943	41,854	32,152	18,887	26,328	19,715
Working capital ..	87,599	88,259	86,608	62,221	60,244	57,405	56,088	55,116	35,901	35,077
Total assets	154,895	141,940	128,927	119,024	118,097	112,483	98,970	83,581	71,146	63,219
Stockholders' equity	72,163	69,956	64,814	57,591	50,021	46,404	43,360	41,270	39,442	37,318
Stockholders' equity per share** ..	\$19.29	\$18.87	\$17.90	\$16.68	\$15.51	\$14.56	\$13.72	\$13.10	\$12.59	\$12.19
Long-term debt ..	33,953	35,203	36,507	18,607	22,974	23,190	22,482	22,482	4,400	4,850
Additional data:										
Additions to Plant Property, net ..	\$ 4,668	\$ 3,068	\$ 2,689	\$ 2,880	\$ 2,609	\$ 2,401	\$ 1,609	\$ 1,157	\$ 1,106	\$ 773
Average number of shares ***	3,728	3,665	3,537	3,328	3,202	3,142	3,136	3,111	3,098	3,067

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

** 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 2% stock dividends of June 1964 to 1968 and the 3-for-2 stock split.

Financial Review

Sales and Net Income—While total sales for the year were approximately the same as the prior year, our consumer product sales increased for the tenth consecutive year. Profit margins, however, declined more than originally anticipated due primarily to a loss in our industrial-defense operations and greater than budgeted losses in three key foreign subsidiaries, resulting in a 36 per cent drop in net income.

Worldwide consumer sales increased 6 per cent while industrial-defense sales declined 22 per cent.

Consumer Products—Consumer product sales increased once again both in our domestic and international operations. In the United States, Accutron sales resumed their upward pattern and rose 11 per cent. Bulova brand sales declined 6 per cent, but the combined increases in Accutron and Caravelle more than made up for the drop. Domestically, Accutron and Caravelle accounted for 42 per cent of our total watch sales, an all-time high. Domestic sales were also aided by a substantial increase in clock sales. Bulova's international watch sales increased 17 per cent and accounted for 21 per cent of consumer products business.

Industrial-Defense—As anticipated, our industrial-defense business again declined as activities in Vietnam receded. Sales for the year totalled \$20 million, a decline of 22 per cent. The March, 1972 quarter witnessed the first year-to-year increase in our industrial-defense business after nine consecutive quarterly declines. The backlog in the industrial-defense area began to rise during the third fiscal quarter, and on March 31, 1972 totalled \$22 million compared with \$10 million at the end of the prior year. As a result, it seems likely that the steep decline of the past two years has come to an end and we expect that our industrial-defense sales will rise during the new fiscal year.

Net Income—Earnings before income taxes declined 31 per cent, but our effective tax rate increased since losses in foreign subsidiary corporations cannot be offset by profits in the American parent Company.

Since corrective action has been taken in those operations which affected our margins during the past year, we look forward to improvement in each of them during 1972/73.

The international monetary crises of 1971 have increased our over-all cost of doing business. In terms of a direct effect on our foreign investments, however, Bulova was so positioned that our overseas assets sufficiently exceeded our liabilities so that the net effect was positive. Since 85 per cent of the watch movements we sell in the United States are imported, it was necessary to increase prices to make up for the higher costs resulting from the devaluation of the dollar. Approval of our request for a price increase averaging 4.6 per cent affecting watches and clocks was granted by the Price Commission in January, 1972.

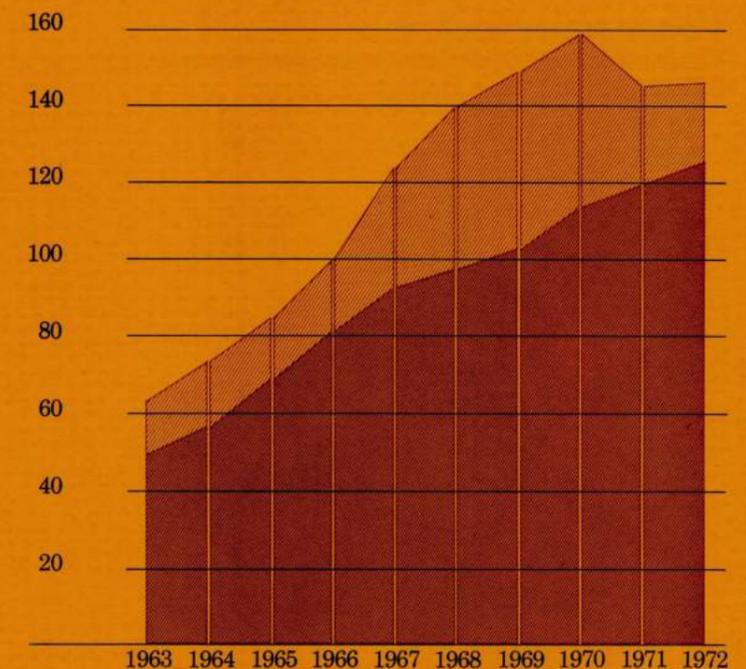
Financial Position—Our financial position remains strong with our current ratio at 2.9 on March 31, 1972. Our planned reduction in inventories continues into the current fiscal year. While inventories in total increased (in part due to currency revaluations), production levels have been set at rates to allow for more balanced amounts. Our planned new product introductions, however, have required a build-up in work in process inventories.

Receivables increased by \$4.7 million primarily as a result of very strong consumer product shipments during the March quarter.

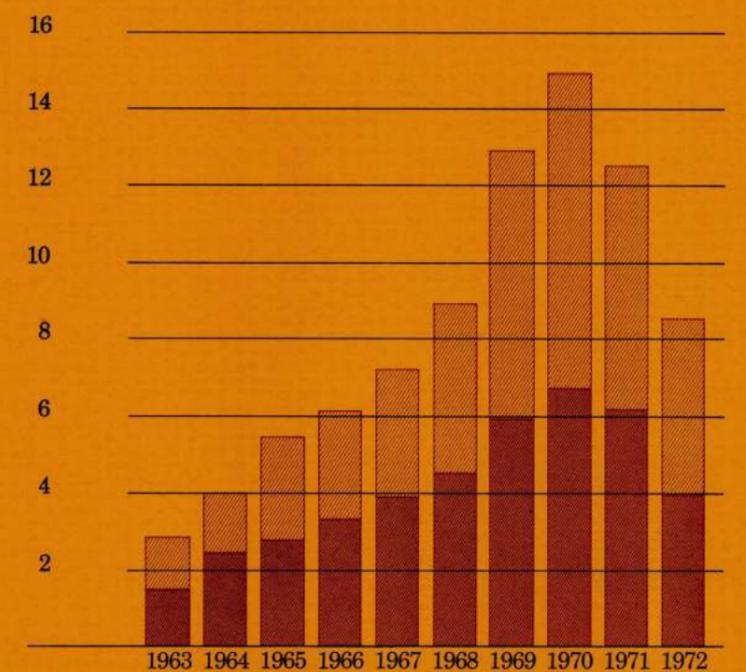
Capital expenditures for the year totalled \$4,766,000 and once again were mainly for additional worldwide manufacturing facilities.

The investment tax credit for the year was \$35,000.

Sales (in millions of dollars)
 Industrial-Defense
 Consumer Sales



Earnings (in millions of dollars)
 Pre-tax Income
 Net Income



Consolidated Balance Sheet

March 31, 1972 and March 31, 1971

Assets	1972	1971
Current assets:		
Cash	\$ 6,661,883	\$ 5,835,485
Customers' accounts and notes receivable (less allowance for doubtful accounts and notes: 1972—\$1,468,285; 1971—\$1,274,483)	51,806,524	46,918,798
Other receivables	917,117	1,106,323
Inventories, at lower of cost or market on first in, first out basis:		
Watch materials, including finished parts	60,996,127	59,025,175
Industrial and defense materials	6,874,249	4,680,927
Precious metals	3,434,125	3,065,056
Other	1,110,601	810,971
	<u>72,415,102</u>	<u>67,582,129</u>
Prepaid expenses	1,060,358	904,119
Total current assets	<u>132,860,984</u>	<u>122,346,854</u>
Other assets	2,136,862	2,974,234
Plant property, at cost (note 2):		
Land, buildings and improvements	14,475,002	12,067,859
Machinery and equipment	16,861,482	15,062,749
Furniture, fixtures and leasehold improvements	2,766,353	2,438,005
	<u>34,102,837</u>	<u>29,568,613</u>
Less accumulated depreciation	15,402,518	13,615,869
	<u>18,700,319</u>	<u>15,952,744</u>
Deferred charges	1,196,665	665,906
	<u>\$154,894,830</u>	<u>\$141,939,738</u>

See Notes to Financial Statements

March 31, 1972 and March 31, 1971

Liabilities	1972	1971
Current liabilities:		
Unsecured notes payable to banks and others (including current installments on long-term debt: 1972—\$1,379,052; 1971—\$1,292,750)	\$ 27,561,003	\$ 19,827,017
Accounts payable	8,720,968	6,968,021
Accrued expenses	6,690,165	5,965,237
Accrued Federal and foreign income taxes	2,289,670	1,328,055
Total current liabilities	<u>45,261,806</u>	<u>34,088,330</u>
Long-term debt (note 3):		
5% Promissory Notes due May 31, 1979	9,280,000	10,560,000
4½% Convertible Subordinated Debentures due August 1, 1984	1,491,200	1,944,900
6% Convertible Subordinated Debentures due February 1, 1990	21,179,300	21,179,300
Mortgages and other loans payable	2,002,128	1,518,558
	<u>33,952,628</u>	<u>35,202,758</u>
Deferred Federal taxes on income (note 2)	918,541	875,537
Deferred income	1,323,524	1,562,101
Reserve for foreign operations (note 1)	678,486	—
Minority interests in net assets of subsidiaries	596,866	255,438
Stockholders' equity (notes 3 and 4):		
Common stock, \$5 par value:		
Authorized: 7,500,000 shares.		
Issued: 1972—3,741,718 shares; 1971—3,711,804 shares	18,708,590	18,559,020
Capital surplus	3,621,611	3,314,702
Retained earnings	49,852,419	48,142,206
	<u>72,182,620</u>	<u>70,015,928</u>
Deduct common stock, at cost, held for resale to officers and employees:		
1972—1,503 shares; 1971—4,268 shares	19,641	60,354
Total stockholders' equity	<u>72,162,979</u>	<u>69,955,574</u>
	<u>\$154,894,830</u>	<u>\$141,939,738</u>

See Notes to Financial Statements

Consolidated Statement of Income and Retained Earnings

Years Ended March 31, 1972 and March 31, 1971	1972	1971
Net sales	\$146,637,513	\$145,264,896
Cost of goods sold	96,741,021	90,849,550
Gross profit from sales	49,896,492	54,415,346
Selling, general and administrative expenses	34,051,279	35,284,516
Profit from operations (after deducting depreciation: 1972—\$1,920,257; 1971—\$1,630,592)	15,845,213	19,130,830
Income charges (credits):		
Taxes, other than U.S. and foreign income taxes	4,897,855	4,474,776
Interest expense	3,642,980	3,392,716
Contributions to employees' retirement plans (note 6)	431,017	351,311
Royalties, interest and other income	(1,727,626)	(1,627,939)
	7,244,226	6,590,864
Income before income taxes and minority interests in net loss of subsidiaries	8,600,987	12,539,966
Federal and foreign income taxes (note 2):		
Currently payable	4,754,382	6,177,977
Deferred	43,004	190,887
	4,797,386	6,368,864
Income before minority interests in net loss of subsidiaries	3,803,601	6,171,102
Minority interests in net loss of subsidiaries	(146,334)	(18,670)
Net income for the year	3,949,935	6,189,772
Retained earnings at beginning of the year	48,142,206	44,153,620
	52,092,141	50,343,392
Deduct dividends paid:		
Cash—60¢ per share	2,239,722	2,201,186
Retained earnings at end of the year—(notes 3 and 4)	\$ 49,852,419	\$ 48,142,206
Net income per average common share	\$1.06	\$1.69
Net income per share assuming full dilution (note 4)	\$1.06	\$1.57

See Notes to Financial Statements

Consolidated Statement of Changes in Financial Position

Years Ended March 31, 1972 and March 31, 1971	1972	1971
CHANGES IN FINANCIAL POSITION WERE AS FOLLOWS:		
Working capital was provided from:		
Operations:		
Net income	\$ 3,949,935	\$ 6,189,772
Charges (credits) to income which did not involve working capital:		
Depreciation	1,920,257	1,630,592
Deferred income taxes	43,004	190,887
Decrease in deferred income	(238,577)	(234,242)
	5,674,619	7,777,009
Transactions in the Company's capital stock	497,192	1,152,946
Proceeds from mortgages and other loans	1,253,448	718,098
Reserve for foreign operations	678,486	—
Minority interest in net assets of subsidiaries	341,428	76,533
Disposals of plant property	97,875	66,489
	8,543,048	9,791,075
Working capital was required for:		
Dividends to stockholders	2,239,722	2,201,186
Additions to plant property	4,765,707	3,134,121
Reduction of long-term debt	2,503,578	2,022,264
Other assets	(837,372)	761,557
Deferred charges	530,759	21,521
	9,202,394	8,140,649
Increase (decrease) in working capital	\$ (659,346)	\$ 1,650,426
CHANGES IN WORKING CAPITAL WERE AS FOLLOWS:		
Increase (decrease) in current assets:		
Cash	\$ 826,398	\$ 124,427
Customers' accounts and notes receivable	4,887,726	889,687
Other receivables	(189,206)	(268,055)
Inventories	4,832,973	10,065,830
Prepaid expenses	156,239	(18,878)
	10,514,130	10,793,011
Increase (decrease) in current liabilities:		
Unsecured notes payable to banks and others	7,733,986	10,497,222
Accounts payable	1,752,947	(1,158,416)
Accrued expenses	724,928	(549,144)
Accrued Federal and foreign income taxes	961,615	352,923
	11,173,476	9,142,585
Increase (decrease) in working capital	\$ (659,346)	\$ 1,650,426

See Notes to Financial Statements.

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

	1972	1971
Current Assets	\$41,475,113	\$35,965,607
Non-Current Assets . .	11,645,470	7,155,456
Liabilities	21,728,836	18,641,780
Sales	26,799,599	22,765,255

Notes to Financial Statements

March 31, 1972 and March 31, 1971

Note 2. Federal Income Taxes: Deferred Federal income taxes have been provided to reflect the difference in the timing of certain deductions for accounting and tax purposes. Such differences arise principally from depreciation taken for accounting purposes on the straight-line method based on the estimated useful asset lives as contrasted with the use of an accelerated method for tax purposes. At such time as book depreciation exceeds tax depreciation, the tax applicable to such excess will be returned to income.

Federal income tax returns for the years ended March 31, 1969 and prior have been examined by the Treasury Department and all taxes for such years have been paid.

Note 3. Long-term Debt:

(a) 5% promissory notes due May 31, 1979:
The notes are payable in instalments of \$1,280,000 on January 31 in each of the years to 1979, inclusive, and a final instalment of \$1,600,000 on May 31, 1979.

(b) 4½% convertible subordinated debentures due August 1, 1984:
The indenture relating to the 4½% 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, 1974. 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, 1974, 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

Note 1. Principles of Consolidation: The accompanying consolidated financial statements include the accounts of Bulova Watch Company, Inc. and all significant subsidiaries. The accounts of foreign subsidiaries and branches have been translated at appropriate rates of exchange. In 1972, unrealized exchange gains, arising principally from the devaluation of the U.S. dollar, amounted to \$678,486. Because of unsettled conditions in world currency markets and the increasing importance of international operations, the Company has established a reserve for foreign operations in the amount of the unrealized exchange gain. In 1971, unrealized exchange gains and losses were insignificant.

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, 1972, retained earnings not restricted as to payment of dividends, under the most restrictive of these agreements, amounted to approximately \$15,408,000.

Note 4. Stockholders' Equity: In addition to the common stock, 500,000 shares of preferred stock are authorized for issuance. The following represents the transactions affecting stockholders' equity during the two years ended March 31, 1972:

	Stockholders' equity						
	Common stock, \$5 par value, shares issued	Treasury shares	Total	Common stock	Capital surplus	Retained earnings	Treasury shares, at cost
Balance March 31, 1970 . . .	3,629,801	8,085	\$64,814,042	18,149,005	2,581,532	44,153,620	(70,115)
Add:							
Shares issued upon conversion of \$733,000 of convertible debentures, net of related deferred debt expense	47,199		718,180	235,995	482,185		
Shares issued upon exercise of stock options or distributed for employee service awards	34,804	(11,017)	554,050	174,020	250,985		129,045
Purchases of common stock at cost		7,200	(119,284)				(119,284)
Net income			6,189,772			6,189,772	
	82,003	(3,817)	7,342,718	410,015	733,170	6,189,772	9,761
Deduct cash dividends			(2,201,186)			(2,201,186)	
Balance March 31, 1971 . . .	3,711,804	4,268	69,955,574	18,559,020	3,314,702	48,142,206	(60,354)
Add:							
Shares issued upon conversion of \$453,700 of convertible debentures, net of related deferred debt expense	29,209		443,718	146,045	297,673		
Shares issued upon exercise of stock options or distributed for employee service awards	705	(2,765)	53,474	3,525	9,236		40,713
Net income			3,949,935			3,949,935	
	29,914	(2,765)	4,447,127	149,570	306,909	3,949,935	40,713
Deduct cash dividends			(2,239,722)			(2,239,722)	
Balance March 31, 1972 . . .	3,741,718	1,503	\$72,162,979	18,708,590	3,621,611	49,852,419	(19,641)

Note 4. (Continued)

On July 27, 1971, the stockholders approved the adoption of the 1971 Stock Option Plan for key employees reserving for issuance thereunder, 158,922 shares of common stock previously reserved for options under prior plans. Except for options outstanding, the prior plans were terminated. The new plan provides for the issuance of qualified and non-qualified options or combinations thereof. Options to purchase 16,922 shares were available for grant at March 31, 1972. Options exercised during the two years ended March 31, 1972 and shares under option at March 31, 1972 were as follows:

	Number of Shares	Option Price*		Market Value at Date Exercised	
		Per Share	Aggregate	Average Per Share	Aggregate
Options exercised:					
Year ended March 31, 1971	33,669	\$11.27	\$379,480	\$16.21	\$545,686
	8,629	13.28	114,593	15.92	137,354
	1,135	18.10	20,544	23.72	26,922
	<u>43,433</u>				
Year ended March 31, 1972	705	18.10	12,761	26.35	18,576
Shares under option at March 31, 1972	142,000	21.56	3,061,520		
	40,212	18.10	753,358		
	<u>182,212</u>				

*Market value at date of grant.

During the year ended March 31, 1972, options for 142,000 shares at \$21.56 per share were granted. Options outstanding at March 31, 1970 and options granted during the year ended March 31, 1972 became exercisable at date of grant.

Assuming that all conversions of debentures which took place during the year had occurred at the beginning of the year, net income per average common share would have been unchanged for the year ended March 31, 1972 and would have been reduced by \$.01 for the year ended March 31, 1971. Fully diluted net income per share shown in the Consolidated Statement of Income and Retained Earnings also reflects this assumption and further assumes the issuance of stock reserved for options (in 1971 only) and conversions of debentures, and the elimination of debenture interest charges, net of taxes.

Note 5. Contracts Subject to Renegotiation: Profits under contracts with the United States Government subject to renegotiation have been cleared through the year ended March 31, 1971. Management is of the opinion that no excess profits were realized for the year ended March 31, 1972.

giving consideration to assumed earnings on the fund assets. Based upon the assumed earnings rate (unchanged during the year), 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 1972 or 1971.

Note 6. 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

Separate retirement plans are maintained by the Company's Swiss branch and by several foreign subsidiaries. The contributions to employees' retirement plans as reflected in the accompanying statement of income and retained earnings for 1972 and 1971 relate to the foreign subsidiaries of the Company.

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, 1972 and March 31, 1971 and the related statements of income and retained earnings 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. The financial statements of certain Swiss components of the Company, which are included in the March 31, 1971 consolidated financial statements, were examined by other independent public accountants whose reports have been furnished to us. The assets and net sales so examined constituted 10% and 2%, respectively, of the related consolidated figures.

In our opinion, based upon our examination and for the year ended March 31, 1971, the aforementioned reports of other independent public accountants, the accompanying consolidated financial statements present fairly the financial position of Bulova Watch Company, Inc. and subsidiaries at March 31, 1972 and 1971, and the results of their operations and changes in 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, N.Y.
June 12, 1972

Products

Consumer Products—Domestic

Watches

Accuquartz—quartz wristwatch, patents pending. Introduced, 1971. Suggested retail price: \$250 and up.

Accutron—patented electronic tuning-fork watch. Introduced in 1960. Suggested retail price: \$110 and up.

Bulova—America's leading jeweled-lever watch brand since 1933. Suggested retail price: \$35.00 and up.

Caravelle—largest selling jeweled-lever watch in U.S.A. Introduced in 1961. Suggested retail price: \$10.95 to \$59.95.

Christian Dior—high-fashion watches. Introduced, 1968. Suggested retail price: \$115 and up.

Clocks—A complete line of clocks by Bulova. Suggested retail price: \$6.95 and up.

Repair Parts & Cleaning Solutions—Repair parts, cleaning solutions; watch service equipment.

Consumer Products—International

Major Marketing Subsidiaries:

Bulova Watch Co., Ltd.—Canada
 Bulova International Ltd.—Bermuda,
 Hong Kong, Japan, Switzerland
 Bulova Watch S.p.A.—Italy
 Bulova U.K. Ltd.—United Kingdom
 Bulova GmbH—Germany
 Montres Bulova, S. A.—France
 Universal Geneve de Mexico, S. A.
 de C. V.—Mexico
 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 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 Bulova, S. A.
 Pacific Time Corporation
 Recta Manufacture d'Horlogerie S. A.
 Relógios Universal E Bulova Ltda.
 Societé de Vente des Montres
 Universal S. A.
 Universal Geneve of Canada Limited
 Universal Geneve U.K. Ltd.

Bulova Plant Facilities

Domestic Plant Locations

Bulova Park, Flushing, N.Y.

Christiansted, St. Croix, Virgin Islands
 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
 Manufacturing

Manufacturing

Manufacturing
 Manufacturing
 Manufacturing
 Manufacturing, Engineering &
 Development

Manufacturing, Engineering &
 Development

Manufacturing

Manufacturing, Development

Production & Assembly

Products

Watches, Research and Development;
 Timers

Watch movements
 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

Clocks; 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

Geneva-Carouge, Switzerland

Neuchatel, Switzerland

Pforzheim, W. Germany

Tao Yuan, Taiwan

Toronto, Ontario, Canada

Villers-le-Lac, France

Manufacturing

Manufacturing

Manufacturing

Manufacturing

Assembly, Research & Manufacturing

Assembly

Manufacturing

Assembly, Sales & Service

Manufacturing

Watches and components

Watches, Compasses; Escapements

Watches

Watches

Watches and Watch movements

Watches

Watch Cases

Watch Cases, Clocks; Timing machines

Machinery and Equipment

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

Directors and Officers

Directors (Other affiliations in part)

Gen. Omar N. Bradley
 (Chairman)

Chairman Emeritus, The George C. Marshall
 Research Foundation; Trustee, Freedoms Foundation
 at Valley Forge, Inc.

R. Clyde Allen
 Director, Clauss Corp.

Benjamin H. Dorsey
 Member, law firm Dorsey and Callahan, Washington,
 D. C.; Trustee, Washington Real Estate Investment
 Trust

Sol E. Flick
 (Executive Vice President and General Counsel)
 Director, Executive Committee, Chelsea National
 Bank; Director, Booth Memorial Medical Center;
 Chairman, Scholarship Committee, Brooklyn
 College, N. Y.

Rodney C. Gott
 Chairman and Chief Executive Officer, AMF
 Incorporated; Director, The Black & Decker Mfg. Co.;
 Associated Dry Goods Corp.; Trustee, Franklin Savings
 Bank; American Museum of Natural History;
 Council of the Americas Inc.

Harry B. Henshel
 (President)
 Trustee & Chairman, Development Committee,
 Member, Executive Committee, Adelphi University;
 Director, United Nations Association of the
 United States of America

James McCormack
 Chairman, The Aerospace Corp.; Director,
 Communications Satellite Corp.; Eastern Airlines

John L. Weinberg
 Partner, Goldman, Sachs & Co.; Director, Cluett,
 Peabody & Co., Inc.; Cowles Communications, Inc.;
 General Development Corporation; The B. F. Goodrich
 Company; Kraftco Corporation; Knight Newspaper,
 Inc.; U. S. Financial

Transfer Agent

Morgan Guaranty Trust Company of New York
 30 West Broadway,
 New York, New York 10015

Officers

Harry B. Henshel
 President

David Anderson
 Executive Vice President

August R. Bozzo
 Executive Vice President

Sol E. Flick
 Executive Vice President and General Counsel

William O. Bennett
 Vice President

John J. Carpenter
 Vice President

John Chiappe
 Vice President and Controller

Gerard A. Donovan
 Vice President

Leo Gale
 Vice President

Rene Perret
 Vice President

Michael D. Roman
 Vice President

Arthur Schwartz
 Vice President

Robert Schwebel
 Vice President

Haskell C. Titchell
 Vice President

Lawrence F. Codraro
 Secretary

George C. Sheinberg
 Treasurer

John B. Cline
 Assistant Controller

Dale O. Hiestand
 Assistant Controller

Isidore Roberts
 Assistant Treasurer

Registrar

Manufacturers Hanover Trust Company
 40 Wall Street,
 New York, New York 10015



Directors: Gen. Omar N. Bradley (*Chairman*) A, R. Clyde Allen F, Benjamin H. Dorsey C, Sol E. Flick D, Rodney C. Gott G, Harry B. Henshel B, James McCormack H, John L. Weinberg E



Officers: Harry B. Henshel H, David Anderson D, August R. Bozzo A, Sol E. Flick B, William O. Bennett I, John J. Carpenter S, John Chiappe F, Gerard A. Donovan L, Leo Gale R, Rene Perret N, Michael D. Roman J, Arthur Schwartz G, Robert Schwebel O, Haskell C. Titchell C, Lawrence F. Codraro M, George C. Sheinberg Q, John B. Cline E, Dale O. Hiestand K, Isidore Roberts P

Products

Consumer Products—Domestic

Watches

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Hong Kong, Japan, Switzerland
Bulova Watch S.p.A.—Italy
Bulova U.K. Ltd.—United Kingdom
Bulova GmbH—Germany
Montres Bulova, S. A.—France
Universal Geneve de Mexico, S. A.
de C. V.—Mexico
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 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 Bulova, S. A.
Pacific Time Corporation
Recta Manufacture d'Horlogerie S. A.
Relógios Universal E Bulova Ltda.
Société de Vente des Montres
Universal S. A.
Universal Geneve of Canada Limited
Universal Geneve U.K. Ltd.

Bulova Plant Facilities

Domestic Plant Locations

Bulova Park, Flushing, N. Y.

Christiansted, St. Croix, Virgin Islands
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
Manufacturing

Manufacturing

Manufacturing
Manufacturing
Manufacturing
Manufacturing, Engineering &
Development

Manufacturing, Engineering &
Development

Manufacturing

Manufacturing, Development

Production & Assembly

Products

Watches, Research and Development;
Timers

Watch movements
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

Clocks; 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

Geneva-Carouge, Switzerland

Neuchatel, Switzerland

Pforzheim, W. Germany

Tao Yuan, Taiwan

Toronto, Ontario, Canada

Villers-le-Lac, France

Manufacturing

Manufacturing

Manufacturing

Manufacturing

Assembly, Research & Manufacturing

Assembly

Manufacturing

Assembly, Sales & Service

Manufacturing

Watches and components

Watches, Compasses; Escapements

Watches

Watches

Watches and Watch movements

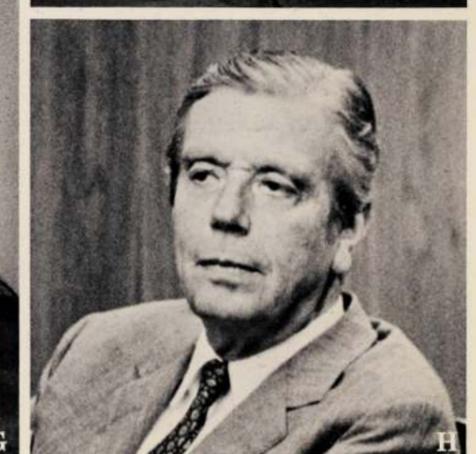
Watches

Watch Cases

Watch Cases, Clocks; Timing machines

Machinery and Equipment

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



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