

BULOVA ANNUAL REPORT



FOR THE YEAR ENDED MARCH 31, 1967



Providence, R. I.



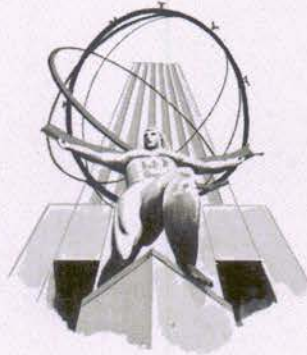
Bulova Headquarters
Bulova Park, Long Island, N. Y.



Bienne, Switzerland



Sag Harbor, N. Y.



Executive & Sales Offices
630 Fifth Avenue
New York, N. Y. 10020



Geneva, Switzerland



Valley Stream, N. Y.



Neuchatel, Switzerland



Westbury, N. Y.



Toronto, Canada



Woodside, N. Y.



Virgin Islands

Neither this report nor any statement contained herein is furnished in connection with any offering of the Company's securities nor for the purpose of promoting or influencing the sale or purchase of its securities.

ACCUTRON

A-1 ACCUTRON "223"—sophisticated styling in two-tone stainless steel. Waterproof*. **\$125.00**

A-2 SPACEVIEW "J"—the clearview dial displays the space age movement. Waterproof*. **\$135.00**

A-3 ACCUTRON "416"—handsome ebony-dialed timepiece with luminous dial markers. Waterproof*. **\$150.00**

A-4 ACCUTRON "MD425"—created and calibrated for the medical man. Caduceus emblem. Waterproof*. **\$150.00**

A-5 CALENDAR "Q"—date advances automatically at midnight. 14K gold-filled. Waterproof*. **\$175.00**

A-6 CALENDAR "K"—the luxury look in precious 18K gold. Time and date at a glance. Waterproof*. **\$250.00**

* Waterproof when case, crystal and crown are intact.



A-7 PENDANT "K"—the Lady Accutron, an elegant pendant timepiece in 14K gold with matching chain. Tells date too. **\$250.00**

A-8 ASTRONAUT "C"—the prestige timepiece. 18K gold case and band. Sets instantly for any two time zones. Waterproof*. **\$1000.00**
In stainless steel, white or black dial. **\$ 175.00**

A-9 EMPIRE "B"—dramatic desk timepiece with the famous Accutron movement. 5" in diameter. **\$150.00**

A-10 PETITE "E"—Tiny electronic desk or dresser timepiece. Polished brass, diamond-cut case. $1\frac{3}{8}'' \times 2\frac{1}{4}''$ **\$125.00**

A-11 SALON "B"—elegant pedestaled miniature, only 3" tall. Polished brass case, gilt dial, hand applied markers. **\$150.00**

* Waterproof when case, crystal and crown are intact.

BULOVA

B-1 BANKER "G"—17 jewel precision in a sturdy sport watch. Adjustable expansion band. **\$39.95**

B-2 PRISCILLA "B"—a winsome pendant watch with its own 24" chain. 17 jewels. **\$45.00**

B-3 DATE KING "PC"—waterproof* calendar watch with luminous dial. 17 jewels, adjustable band. **\$49.95**

B-4 LEADING LADY "BD"—Dainty oval with tapered wristfit bracelet. 21 jewels. **\$49.95**

B-5 GODDESS OF TIME "MM"—Gleaming faceted case of 14K gold. 17 jewels. Adjustable telescope bracelet. **\$59.95**

B-6 DIADEM "J"—twenty-six diamonds (totaling 1/2 carat) encircle an octagonal case of 14K gold. 17 jewels. **\$395.00**

B-7 DIADEM "DP"—the mark of opulence. 34 dazzling diamonds, totaling 2 carats, surround a 14K gold case. 23 jewels, synthetic Saffire crystal. **\$1095.00**



B-10



B-11



B-12



B-13



B-8

B-9

B-8 66200—international styling in luxurious 18K gold. Beveled edge crystal. 17 jewels. **\$125.00**

B-9 16200—continental, slimline case in 18K gold. 17 jewels, deep gilt dial, alligator strap. **\$150.00**

B-10 ARTISAN—Bulova tables the time in a uniquely designed cordless electronic clock. Satin finish brass case, bright brass legs. 5" square, 3 1/4" high. **\$60.00**

B-11 GALLERY—genuine Moroccan leather framed desk clock with gleaming brass trim. Jeweled electronic movement, no cord. 6" square. **\$70.00**

B-12 MARQUIS—elegant cordless electronic desk or dresser clock. Satin finish brass case, silvertone dial. 4 1/2" high, 8" wide, 1 1/2" deep. **\$50.00**

B-13 TIARA—smart slant-faced electronic calendar clock. Beaded edge dial, genuine lizard base. 3" high, 3" diameter. In red, black or brown lizard. **\$40.00**



**ANNUAL REPORT
FOR THE YEAR ENDED
MARCH 31, 1967**

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ANNUAL MEETING

Tuesday, July 25, 1967
11:30 A.M. (EDST)
Bulova Park, 75-20 Astoria Boulevard,
Jackson Heights, New York

The following are registered trademarks:

ACCUTRON, BANKER, BULOVA, CARAVELLE, DATE KING, GODDESS OF TIME,
MINUET, MUNETTE, PRISCILLA, 

Foldout Front Covers:

Accutron and Bulova Products

Foldout Back Covers:

Caravelle and Bulova Electric Products

TO THE STOCKHOLDERS:

Sales and earnings from Bulova's diversified, world-wide operations reached new high levels in fiscal 1966-67.

World-wide sales during fiscal 1966-67 reached \$123,877,017, a new high in our 94-year history and a 24 per cent increase over last year's. Net income rose 20 per cent to \$3,899,983, equal to \$1.94 per share, based upon 2,013,389 shares — the average number of shares outstanding during the year.

These results are continued tangible measures of achievement of objectives set for the company eight years ago. In this relatively short period of time Bulova has more than doubled its sales and nearly tripled its profits. As a result, Bulova is now the world's largest watch company in terms of total sales volume — larger than any other company in the watch business. In addition, we have the most diversified group of watch product lines by type and price range, backed by the world's most extensive combination of watch manufacturing facilities on three continents and marketed in 89 countries.

Our multi-national base provides your company with a firm foundation for continued growth. This report bears testimony to the success of this strategy.

Foremost among a number of key developments in the fiscal year just ended, was the recent acquisition by Bulova of the internationally renowned Swiss watch "couturier" and manufacturer — Universal Geneve. Its highly styled watch line provides your company with increased strength in all the world's important markets.

Another highlight was the continued growth of consumer demand for Accutron timepieces — shipments of which rose more than 40 per cent over last year. This extraordinary acceptance validates our previous optimistic sales projections for these electronic timepieces. This success story was further emphasized by the heavy demand for the new Accutron calendar model, the first major design innovation in our electronic timepiece line. In the case of Accutron, we are certainly not resting on our technological lead nor on our patent protection—both of which are formidable. The full potential of this line has yet to be realized. Technical improvements and new models are constantly in process. We continue to estimate that the company's sales of Accutron timepieces alone — world-wide — will exceed those of our Bulova line by fiscal 1971.

Our modernization of out-moded credit terms, long prevalent in the jewelry industry, is also notable. This move will go far toward improving our and our retail customers over-all return on investment. As with our earlier policy changes in our domestic distribution channels, there is considerable evidence that this, too, is being accepted as a constructive change.

The geographic dispersal of our manufacturing facilities is designed to minimize dependency upon any one area. Continued implementation of this policy gives us

the flexibility to adjust to any changes which new developments may necessitate. It is appropriate to note that in the next two years we will continue to expand our manufacturing facilities for both watch cases and movements. This is expected to reduce our over-all costs as well as to enlarge capacity.

The continuing urgent needs of our government in Viet Nam have greatly increased our commitments to defense production, primarily fuzes. Our investment in this segment of our business is currently more than double what we anticipated it would be only two-and-a-half years ago. A number of these contracts with their varied start-up costs, lead times, and delivery schedules are making significant demands upon our resources and manpower with inevitable adverse affect on our over-all profit margins. As a consequence, we are intensifying our efforts to obtain more industrial and commercial business.


We feel that your company is in the best position in its history to combat any possible softening in the national economy. While national retail sales generally levelled or declined in recent months, our studies indicate that Accutron and Caravelle unit sales at retail continue to run significantly ahead of each month of the prior year. Our research confirms that consumer demand for Accutron timepieces reflects a strong "trading-up" factor.


Nearly all of the conventional watch movements contained in our Bulova and Caravelle brands sold in the U. S., originate abroad. Therefore, the one-third duty reduction of January 11, 1967 imposed no economic penalty on the company and similarly any transition brought about by any future tariff adjustments on higher jeweled movements should have no significant effect on your company.

On May 3, 1967 — in addition to declaring the fourth consecutive annual 2 per cent stock dividend — the 122nd consecutive quarterly cash dividend was increased from 15 cents per share to 17½ cents per share. This action was a result of the continued improvement in your company's earnings. Both the cash and stock dividend are payable on June 29, 1967 to stockholders of record June 6, 1967.

For the future, two factors work consistently in our behalf here and abroad: the rising standard of living and the population growth. These have relevance not only for the year immediately ahead, but for the long-term as well.

The catalysts of growth are, of course, creative capable people. The changes at Bulova, the new and diverse product lines, its multi-national development — all of these provide the ingredients necessary for our people to translate tomorrow's market into sales and earnings. Your company is especially strong in this resource. The importance of the nearly 7600 Bulova employees around the world and the significance of their contributions are documented throughout the pages of this annual report.


Omar N. Bradley
Chairman of the Board


Harry B. Henshel
President

June 13, 1967



GENERAL OMAR N. BRADLEY



HARRY B. HENSHEL



R. C. ALLEN



BENJAMIN H. DORSEY



SOL E. FLICK



RODNEY C. GOTT



JAMES MCCORMACK



THOMAS A. MORGAN



JOHN L. WEINBERG



BULOVA WATCH COMPANY, INC.

DIRECTORS

General Omar N. Bradley, *Chairman*
R. Clyde Allen
Benjamin H. Dorsey
Sol E. Flick
Rodney C. Gott
Harry B. Henshel
James McCormack
Thomas A. Morgan
John L. Weinberg

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*
Gerard A. Donovan, *Vice President**
Simon C. Gershey, *Vice President*
Harry R. Gewertz, *Vice President*
Irving D. Holczer, *Vice President*
Rene Perret, *Vice President*
Michael D. Roman, *Vice President*
Haskell C. Titchell, *Vice President and Secretary*
John Chiappe, *Controller*
John R. Hamilton, *Treasurer*
Lawrence F. Codraro, *Assistant Secretary*
Isidore Roberts, *Assistant Treasurer*
George C. Sheinberg, *Assistant Treasurer*
Roland P. Talbot, *Assistant Secretary and Assistant Controller*

* Elected May 3, 1967

Transfer Agent

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

Registrar

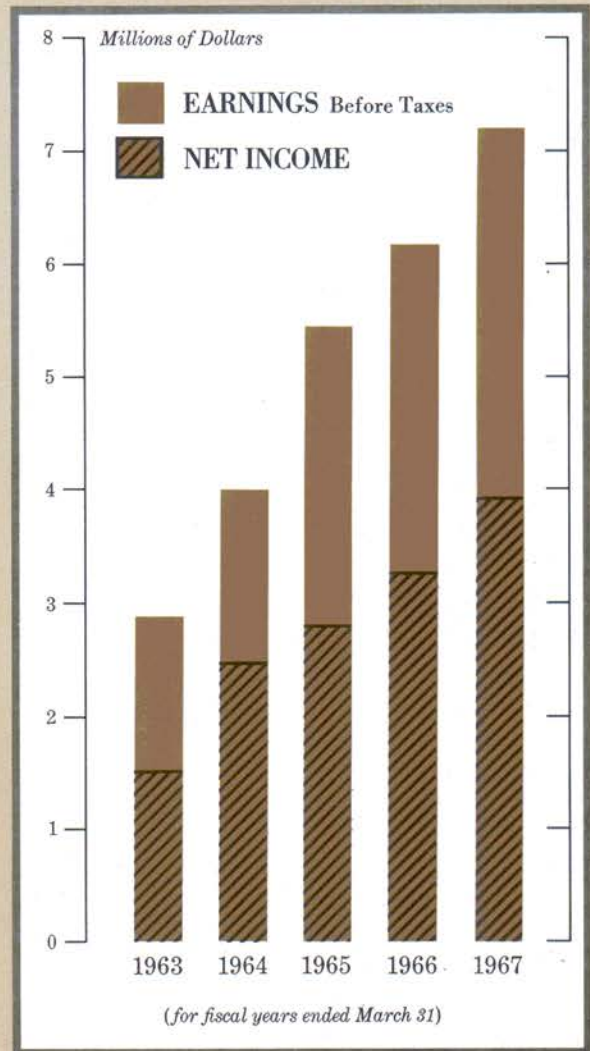
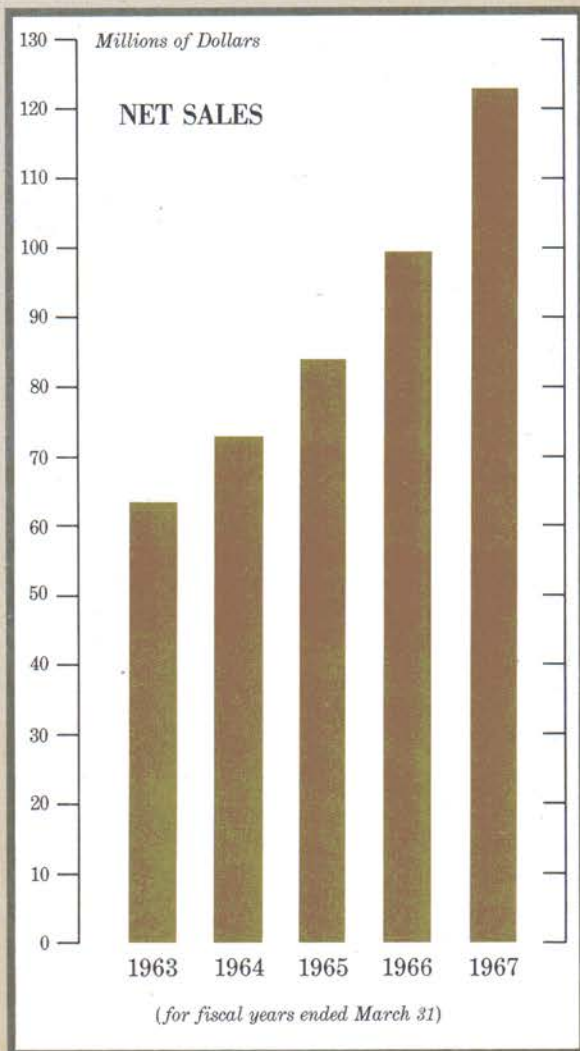
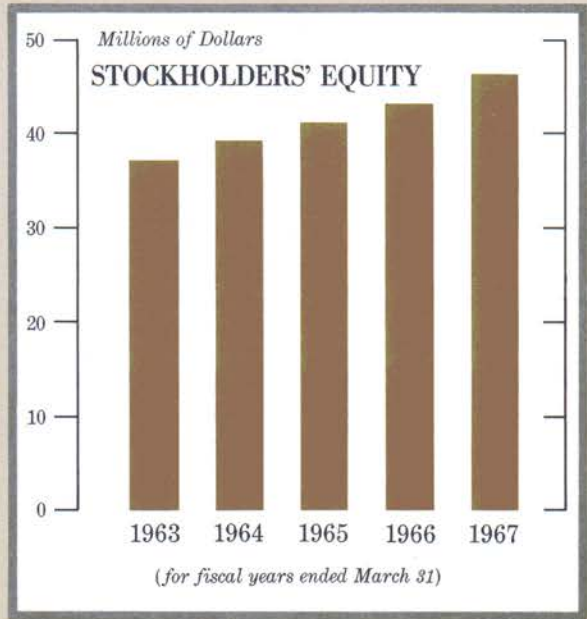
Manufacturers Hanover Trust Company
40 Wall Street, New York, New York 10015

SUBSIDIARIES

Atlantic Time Products Corporation
Bulova G.m.b.H.
Bulova International Limited
Bulova Watch Company Limited
Bulova Watch S.p.A.
Bulova U.K. Limited
Manufacture des Montres Universal
Perret Frères S.A.



WATCH COMPANY, INC.
AND SUBSIDIARIES



Highlights

Year Ended March 31	1967	1966
NET SALES	\$123,877,017	\$99,754,581
INCOME BEFORE INCOME TAXES	\$ 7,199,983	\$ 6,168,670
NET INCOME AFTER INCOME TAXES	\$ 3,899,983	\$ 3,243,670
NET INCOME AFTER INCOME TAXES Per Share*	\$ 1.94	\$ 1.61
CASH DIVIDENDS Per Share	\$.60	\$.60
CURRENT ASSETS	\$ 99,258,884	\$88,240,389
CURRENT LIABILITIES	\$ 41,853,752	\$32,152,282
WORKING CAPITAL	\$ 57,405,132	\$56,088,107
STOCKHOLDERS' EQUITY Per Share**	\$ 22.73	\$ 21.47

Five Year Financial Review

Fiscal Years ended March 31

OPERATING RESULTS:	1967	1966	1965	1964	1963
Net sales	\$123,877,017	\$99,754,581	\$84,200,736	\$72,969,402	\$63,263,275
Income before income taxes.....	7,199,983	6,168,670	5,459,579	4,006,600	2,877,514
Net income	3,899,983	3,243,670	2,784,579	2,431,600	1,482,514
Net income per share*	\$1.94	\$1.61	\$1.39	\$1.23	76¢
Cash Dividends paid	1,207,303	1,181,774	1,158,228	1,121,465	1,109,734
Earnings retained after cash dividends.....	2,692,680	2,061,896	1,626,351	1,310,135	372,780
Cash Dividends paid per share.....	60¢	60¢	60¢	60¢	60¢
Stock Dividend paid	2%	2%	2%	—	—

FINANCIAL POSITION (Year-end):

Current assets	99,258,884	88,240,389	74,002,660	62,228,755	54,792,382
Current liabilities	41,853,752	32,152,282	18,887,171	26,327,886	19,714,851
Working capital	57,405,132	56,088,107	55,115,489	35,900,869	35,077,531
Total assets	112,482,741	98,970,153	83,580,663	71,146,000	63,218,522
Stockholders' equity	46,403,951	43,359,608	41,269,516	39,441,510	37,317,781
Stockholders' equity per share**.....	\$22.73	\$21.47	\$20.45	\$19.64	\$19.02
Long-term debt	23,189,600	22,482,500	22,482,500	4,400,000	4,850,000

ADDITIONAL DATA:

Additions to Plant Property	2,401,459	1,608,661	1,208,439	1,146,423	784,962
Average number of shares, excluding stock held for resale, adjusted for 2% stock dividends June 29, 1964, June 29, 1965 and June 29, 1966	2,013,389	2,009,734	2,007,660	1,978,932	1,963,319

*Based on the average number of shares outstanding during each period adjusted retroactively for the 2% stock dividends of June 29, 1964, June 29, 1965, and June 29, 1966.

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



CONSUMER PRODUCTS—ACCUTRON

Accutron Sales Up Over 40%

Accutron electronic timepieces continued to make marketing history again last year with a sales gain of more than 40 per cent for the fiscal year.

In each year since its introduction in 1960, Accutron sales, both to our dealers and to consumers, have shown substantial increases.

The most important change to the 88 model U. S. Accutron line was the addition of newly designed calendar models at the upper end of the price range. The result was a gradual increase in the average retail selling price of Accutron timepieces. From a marketing approach, it was also quite revealing that the calendar models doubled the per cent of "prestige" watch purchasers formerly buying Accutron. In fact, many purchasers of the new calendar models already owned at least one Accutron timepiece. This gives further evidence of the remarkable degree of consumer satisfaction for this product line.

Fiscal 1970-71 Target: Accutron Sales Leader in U.S.

Our goals for Accutron remain quite ambitious. Our target is for Accutron to be the leading selling watch brand in the United States in dollar volume by fiscal 1970-71.

The extraordinary demand building up for Accutron makes it the only fine timepiece which is bought by men for themselves more often than it is received as a gift.

In addition, the success of Accutron thus far has been achieved even though overall consumer awareness is still less than half that of our more established Bulova brand. We look for many future sales resulting solely from increasing awareness of Accutron.

Mushrooming Market

Market studies indicate a "trading up" trend of unusual proportions — as Accutron timepieces create sales "across the board" without regard for traditional economic or marketing patterns. There are a number of demographic factors that give further impetus to the sale of Accutron timepieces. Marketing analysis shows that the 20-to-29 age group are those who are most aware of Accutron and those in the 30-to-45 age group buy, proportionately, the most watches. Therefore, we are fortunate to have high brand identification in the younger age group — destined to be the more prolific watch purchasing group. The latter group buys more than half

of all watches selling in the higher priced brackets. Moreover, recent studies of population trends indicate that by 1970 the size of these two groups will be increasing faster than any other age group.

Space Projects

The technical superiority of Accutron timepieces was highlighted during the year when an Accutron clock was selected for the Gemini 12 spacecraft. Eighteen special Accutron clocks and timing units were involved in the Gemini spacecraft series. Each carried aloft an Accutron clock on the command panel — to maintain earth-time reference for the Astronauts. Additionally, the unmanned Agena target vehicles and a new series of satellites—the Gravity Gradient test satellites—utilized a variety of electronic Accutron timing units. Two ground-based assignments for the timing units were also initiated. In one, Accutron timers were set to trigger biological experiments in the first of a series of six bio-satellites; in another, they will be harnessed as master timers in special experimental "packages" to be left on the Moon's surface.

Accutron Marine Navigator

Still another significant application last year was the introduction of an Accutron marine navigation unit. This device includes three connected standard Accutron units, which represents a major breakthrough in design of marine chronometers. It is more compact, rugged and easier to adjust than conventional marine chronometers. In actual tests on the high seas, it recorded a daily rate deviation of considerably under one second.

Technical Symposiums

Under jurisdiction of the company's *Technical Sales and Service Division*, five strategically located warranty service stations were established for Accutron timepieces. This field service program is the first of its kind in the jewelry industry and is expected to set a trend.

The comprehensive program of technical briefings on behalf of Accutron was continued with symposiums conducted in 12 nations in the Far East, Australia, New Zealand and Hawaii. Over-all, more than 8,000 jewelers have graduated from these technical sessions which have been held on three continents.

ACCUTRON CLOCKS—Three unique Accutron Electronic Clocks in the "International One-Of-a-Kind Collection" assembled for exhibit by leading jewelers.



BULOVA

Sales Up for Fifth Year

Sales of our Bulova brand watches again increased during the year. This marks the fifth consecutive annual increase in sales. It is noteworthy that this was accomplished despite the successful market penetration of the Accutron and Caravelle brands at either end of the Bulova price range. Historically, the backbone of the company's consumer sales, Bulova watches continue to account for more than twice the dollar volume of its nearest competitor, and it is still more than 50 per cent of the combined volume of our domestic watch brands. The Bulova line is the most diversified watch line the company markets, with some 460-models available in prices ranging from \$30 to \$1,095 for a ladies diamond watch.

Fifty Million Mark Passed

Over 50,000,000 Bulova watches have been sold to date. Technological refinements and a program of continuous case manufacturing improvement and styling innovations, help to assure jewelers that Bulova watches measure up to the designation, the "watchmakers' watch", a term they have earned over the years. Such factors as interchangeability of parts, fineness of finish, simplicity of movement design and service policies, have, over the years, built this reputation among watch repairmen and jewelers.

High Quality Emphasized

From a marketing point of view, the stiffening consumer demand for quality merchandise, evidenced in all quarters, created a tailor-made environment in which to position Bulova watches against competition. Accordingly, emphasis was placed on profiling the anatomy of Bulova watches, stressing such salient factors as the 3,500 separate manufacturing operations to make a single self-winding watch and the more than 800 inspections that are routine to production.

Market Penetration Increased

Market penetration and support by our dealers increased last year in the traditional jewelry store outlets. One important yardstick of this was the increase in jewelers use of company supported co-

operative advertising. This upward trend validates the principles of the company's Constructive Distribution policy — which emphasizes the need for reciprocal efforts by jeweler and manufacturer to properly market our products.

For the second year Bulova jewelers joined in a unique pre-Christmas promotion in which special advertising editorial supplements were created and run as special sections in 30 leading metropolitan newspapers from coast to coast. Readership was estimated at between 20 and 30 million.

Sales Training Programs Continue

Industry leadership was further reflected by the continuing initiative of the company in conducting sales training seminars for its franchised jewelers. Seminars were conducted last year at eight state jewelers' association conventions and meetings before several hundred local jewelers. Since 1964 Bulova has conceived and conducted more than 200 such professional sales training programs.

Last year the company achieved its first entry, in any significant numbers, into the nation's top department stores. To support this market expansion, the sales and field management organization was realigned and strengthened. The 144 man consumer products selling force is organized to emphasize its advisory role with accounts. Close liaison is maintained with this, the industry's largest sales force, through a field command involving a field sales manager and regional and district sales managers.

Field Service in Depth

The company's commitment to support its products with comprehensive field service is reflected in the increased activity of its highly profitable *Technical Sales and Service Division*. Millions of parts for consumer products are stockpiled in New York for same-day shipment. Behind this material support, the company is unique in offering its franchised jewelers a wide variety of specialized tools, cleaning and rinsing solutions and equipment, including electronic and sonic devices. This field service program, under company jurisdiction, is the first in the industry.

CASE 'LAPPING'—A Bulova watch case is undergoing "lapping"—an expensive metal finishing process that produces highly reflective, sharply defined surfaces.

Jeweled Watches
CARAVELLE[®]

DIVISION OF BULOVA

FIRST LOW-COST
QUALITY WATCH

\$10⁹⁵



CARAVELLE

The benefits of diversification of the company's consumer products line was augmented by increased sales of the low-priced fashion-oriented Caravelle line of watches and clocks. Sales of these units increased more than 20 per cent, marking the fifth consecutive year of sales increases since the line was introduced in 1961. More than 100 models are available that retail from \$10 to \$30 and market penetration by Caravelle watches increased again last year.

Caravelle Forecast to be 1971 U.S. Volume Leader

An additional measure of the impact of the Caravelle line of jeweled-lever watches is reflected in its cumulative retail sales volume — \$80 million since 1961. Its U.S. unit sales are now second only to Bulova for jeweled-lever watches. Projections are for the Caravelle brand to achieve the largest unit sales volume for jeweled-lever watches in the United States by fiscal 1970-71, if not sooner.

Despite its increased penetration — market development is still at a relatively modest point. Approximately 11,000 outlets now carry this line of merchandise and these are largely franchised jewelers. A special sales force has been organized to accelerate its market distribution in department stores and other important and finer gift outlets.

Inherent in the Caravelle line is the flexibility to react quickly to style trends, fads and fashion moods. Currently the line stresses wide bands, fun-fur straps, pendants, geometric shapes and other unconventional styles now popular with teenagers and young adults.

It is important to note that during the next several years there will be a rapid movement — estimated at some 40 per cent increase — of children and adolescents into the young adult age groups. This population trend, coupled with the sharp rise in discretionary spending power, about triple what it was in 1959, creates a broad market for watches per se, but especially Caravelle styles which have emphasized fashion and innovations.

This latter point is a pivotal one. There is a wide trend today toward a multiple watch "wardrobe." This was confirmed in a special survey of New York city high school girls. Some 42 per cent of the girls polled reported having more than one watch; as

many had three as had two; and four-watch ownership was not uncommon.

New Boom in Wall Clocks

With the introduction last year of a series of decorator-styled Caravelle wall clocks, the company moved strongly into the home wall clock market. The segment of the total clock market which is in the retail range of \$20 to \$200 is estimated to represent 20 per cent of the over 20 million clocks sold last year. Principal stimulus for the new consumer interest in such clocks has been the advent of cordless models. These models, of which Caravelle has 14 styles, eliminated the need for a cord to electric wall outlets and as a result opened interior decorating opportunities for wall clocks.

In response to favorable consumer reaction to Caravelle clocks, the division produced additional styles in the several categories that make up the complete line. In the boutique and travel clock category, for example, the coming season will see the addition of four distinctive new styles, two of which are calendar models with colored dials.

Cordless Clocks Capture New Markets

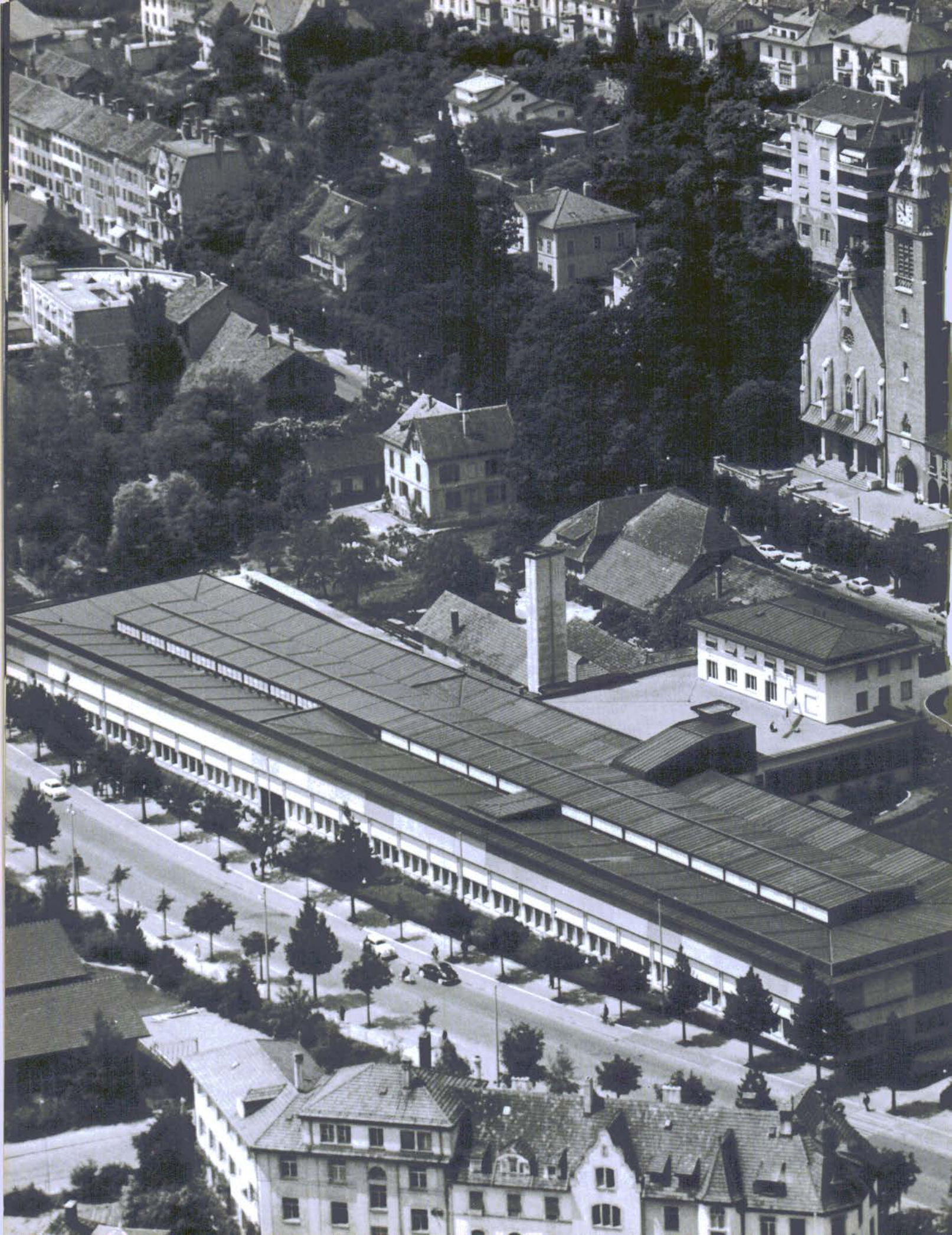
Cordless Caravelle electric travel and desk clocks markedly increased acceptance among buyers in jewelry, department store and gift establishments. In this category, the accuracy, durability and longevity were cited by these discriminating product judges as factors important equally to retailers and consumers.

Marketing and merchandising programs for the Caravelle lines are constantly being strengthened at both trade and consumer levels. An innovation to be introduced during the coming season is the Caravelle Christmas Club promotion, through which consumers may reserve holiday gift purchases at the beginning of the fall season, paying on an extended payment plan.

The Caravelle decorator-styled cordless wall clocks, together with a variety of desk, boudoir table and travel alarm clocks, plus Accutron and Bulova electronic clocks — some 68 models in 16 price categories — represent one of the broadest and complete clock lines available today. Included in these, are the first group of Bulova brand wall and table clocks — all cordless and electronic, introduced early in 1967.

OVER-THE-COUNTER—Attractive, eye-catching packaging and display materials are integral factors in the retail marketing program for Caravelle watches and clocks.





BULOVA ELECTRIC PRODUCTS

Varied Line of Clocks, Radios and Radio Clocks

Bulova electric products is a varied line of consumer products comprising a total of 31 transistor radios, clock radios, cordless radio clocks and AM/FM table radios. The purpose in marketing these non-watch consumer products is two-fold: To provide entry for the company into such outlets as gift and music stores, and to offer the jeweler additional products with which to improve his ability to compete locally in this gift field.

Recent additions to this product group accommodate a return to "two-way" portables — those that can operate off standard house current as well as from self-contained batteries. No external adapter is required on these units. All Bulova brand radios are sold with a one year parts and labor warranty — a concept originally introduced by Bulova to the radio industry.

New Circuitry Featured

"Solid state engineering" is a major factor in the Bulova electric product line. This major development in electronic circuitry has been incorporated to the fullest advantage, allowing the production of smaller, more attractive sets that perform more satisfactorily than competitive tube models.

First Bulova Brand Clocks

Early this year the first Bulova brand name clocks were introduced. Seven models are offered, all transistorized, high frequency electronic clocks. They complement the company's clock line, which begins, at the low price end, with cordless Caravelle electric decorator clocks (from \$20) to the exclusive Accutron electronic clocks (from \$100).

These three clock lines, by price and function, give the company a strong foothold in the growing clock market.

\$400 Million Market

Estimates forecast that this year retail sales of clocks and clock-radios may reach an all-time high

of \$400 million. Consumer surveys by the company indicate that the jeweler is the source for only some 10 per cent of this business. The availability of the broad line of clocks offered by the company is expected to stimulate the jeweler participation and expansion in this growing market.

Retail Outlets Expanded

The growing importance of clocks to the marketing program of retailers other than jewelers is also noteworthy. Department stores and gift shops, among others, are giving increasing attention to this type of merchandise. A company survey early this year revealed that 45 per cent of all wall clocks are bought as gifts, and Bulova's sales representatives are making a concentrated—and successful—effort to penetrate this field.

Growth Outlook Excellent

Twenty per cent of all Caravelle retailers offered Caravelle wall clocks in 1966, and 40 per cent sold Caravelle boutique and travel desk clocks — these figures are already surpassed in 1967. With an estimated increase in clock purchases of 10 per cent annually, the outlook for steady and profitable growth of the company's clock business appears excellent.

Clock Styling Emphasized

Styling and design emphasis of the company's clocks is placed on features complementary to Bulova's expertise. An example is the incorporation of high frequency electronic clocks in conventional clock radios and in our cordless radio clocks. The company is believed still to be the only producer of the latter.

Production of these electric products illustrates the multi-national character of your company with various elements of the line being produced in Switzerland, the United States and in Japan.

QUALITY CONTROL—At Bulova Park, radio products are tested in a room where shielding isolates all radio signals, regardless of frequency, from beyond the area.

BULOVA OVERSEAS

Foreign Sales Up 38%

Last year sales abroad of our consumer products increased 38 per cent. This represents a contribution to over-all corporate consumer products of sales well in excess of 10 per cent. This increase is more than double the previous year's growth, and projections are for a 20 to 25 per cent increase in overseas sales this fiscal year.

The year past continued the consolidation of overseas expansion moves initiated in 1961. In support of this program, there has been the refinement of distributorships and of servicing and warehousing facilities abroad.

In 89 Countries

Today, 1,500 employees in five overseas subsidiaries, not including Universal Geneve, are involved in the distribution and sales of consumer products, principally watches, in 89 countries. Although all are not primary markets, this contrasts to the 15 markets which originally composed our export operation prior to 1960, or the 19 markets initially serviced in 1961 when the build-up of world sales began.

Our own in-market organizations are in Switzerland, the United Kingdom, Italy, West Germany, and Canada. Distributor customers are serviced from three central sales offices — Hong Kong for the Far East; Bienne, Switzerland for Europe; and New York for the Americas. Major manufacturing facilities are maintained at Bienne and Neuchatel, Switzerland — while comprehensive assembly operations are located in Toronto, Canada and St. Croix, the Virgin Islands.

World Marketing

Marketing of Bulova products abroad placed heavy emphasis in trade advertising — believed to be the most extensive trade journal program in the industry — plus television in Hong Kong, radio in England, movies in Latin America and trade fairs extensively. Outdoor spectaculars are also featured and the company plans to utilize this medium in all the major capitals of the world. Currently, outdoor spectaculars are used in Times Square, Piccadilly Circus (London), Geneva, Tokyo and Hong Kong.

International Watch Collection

A special line of watches, comprising 500 models and styles, has been developed in Switzerland for international markets. These reflect the varying tastes of foreign customers. Abroad, the Accutron electronic timepiece is universally accepted and is the sales bellwether in virtually all foreign markets.

Universal Geneve, with participation in some 100 markets throughout the world, is expected to make substantial contributions to broadening foreign sales. It completes the company's entry into all segments of the world watch market — by product, price and distribution.

Founded in 1894, in Geneva, as a family enterprise, Universal Geneve has grown to be internationally recognized for its technical innovations and styling. Its plant and research laboratories are among Switzerland's most modern.

World renowned as watch stylists, it includes among its recent citations the 1965 Diamonds-International Award (first among 1,526 entries from 21 countries), The Prix de la Ville de Geneve, the world's foremost watch styling award, and first prize by the Swiss Watchmaker Federation at the 1964 Swiss National Exhibition. Technical innovation is reflected in development of a new self-winding movement and the thinnest self-winding watch ever designed including ball-bearings and an anti-shock device.

While profitable in the aggregate, the non-recurring costs of developing some international markets continued to reduce earnings by some 10 cents a share. However, the current fiscal year should show markedly improved profitability.

World Watch Market Booms

The world watch market, in which your company now has a firm foothold, is constantly growing. Currently running at better than 140 million units annually, it is almost five times greater than it was in 1945. The logistics of service and supply are as critical as sales coverage, for long-term leadership in this international arena. Accordingly, considerable emphasis has been placed on these essential behind-the-scenes requirements.

BIENNE PLANT—At this Swiss plant are produced Bulova and Accutron timepieces sold abroad. The company has operated in Bienne for more than a half-century.



INDUSTRIAL/DEFENSE

Industrial/Defense

Stimulated principally by a continued increase in defense business generated by the Viet Nam conflict, the non-consumer activity of the company accounted for 25 per cent of the past fiscal year's volume. Backlog of industrial/defense orders on March 31, 1967 was up 45 per cent over the past year.

Of particular significance in the fulfillment of defense orders has been the performance of our Providence, Rhode Island facility — where more than a doubling of volume has occurred over the past three fiscal years.

Servo Products Pace Growth

The continued rise in sales of the industrial portions of this non-consumer activity was also significant. The largest contribution in the non-defense area came from the *Electronics Division*. Over-all sales to industry — primarily for communication application and for other non-ordnance use — rose some 21 per cent over the past year in this division. Sales over a broad range of crystal-based and tuning fork-based products — filters, oscillators, ovens, choppers, scanners and infrared devices — represented the major volume. The Servo Products Department — the division's fastest growing — represented 15 per cent of the division's volume. Its devices, used singly or in multiples, are common denominators on the majority of new electronic systems and represent a great contribution to the division's growing industrial and commercial business.

New Plant; New Products

Largest in dollar volume of the divisions comprising the non-consumer elements of the company, is the *Systems & Instruments Division*. During the year its increased ordnance work, including production formerly handled by the Watch Manufacturing Division, plus a projected build-up of industrial activity, necessitated a change in plant facilities. This resulted in the 65,000 square feet addition to our existing facilities in Valley Stream, L. I. Major

new fuze contracts were received, and work on a new type of universal fuze of markedly superior performance was moved from development to prototype production. This division successfully introduced its first automation shelf-unit, semi-conductor test and classifying unit. Considerable activity will be directed this year toward expansion of its line of industrial timing units. These will include timers, interval timers, elapsed time indicators and time controllers. Estimates for this total market by fiscal 1971, are in excess of \$100 million, at retail.

Four New Space Jobs

Early this year the *Timer Laboratory*, established in 1960 to exploit space and industrial applications of Accutron-based timing units, was separated from the Systems and Instruments Division to become a separate entity. Under its jurisdiction four new outer space timing projects were undertaken last year. In addition, it supplied Accutron devices for the final five Gemini spacecraft successfully launched by NASA. The Timer Laboratory brought the Accutron Marine Navigator through development. This new product marked the first major technical advance in a nautical timing and navigation device in over 200 years, or since the marine chronometer was introduced. The diversity of uses for Accutron devices was further demonstrated by applications from timing track meets to utilization in oceanographic projects.

The jewel-bearing producing plant, operated by the company in Rolla, North Dakota, for the Government, was renamed for the late Sen. William Langer of North Dakota and is now named the *William Langer Jewel Bearing Plant*. Last year, industrial orders for these synthetic jewels rose 4 per cent; however, the bulk of the 1.6 million jeweled bearings produced at this plant are earmarked for defense and space applications. With dedication of a new plant facility last year, some \$500,000 worth of new specialized government owned equipment was checked out and moved into production operation.

IN VIET NAM—A Fourth Infantry Division GI "fuzes" a 105-mm howitzer shell by installing a fuze similar to those made by Bulova. (Army News Features Photo)



OTHER COMPANY ACTIVITIES

'Extra' Support

Some of the activities during the year ended will illustrate the broad support your company provides to its franchised jewelers:

In the United States, jewelers from 23 states graduated from the Bulova-New York University course in retail jewelry store management and merchandising, bringing to more than 580 the number who have participated in this unique industry service. And, again for the third year, the executives of the company renewed their personal relationships with local jewelers through in-store visits. Some 25 executives participated in the Executive Travel program, visiting 600 jewelers in 30 states — on an informal basis.

In further evidence of this jeweler support, is the lending without charge to jewelers of sports timers for their use, locally, in sponsorship of track, field and swimming meets. The program began experimentally in 1946 and is now a popular fixture in the year's activity. Last year the company filled nearly 1,000 requests for timers from jewelers; they, in turn, loaned these timers some 14,311 times to officials at 791 amateur sporting events in their respective communities.

Bulova/Accutron Phototimer

A special distinction was recently accorded to your company's Bulova/Accutron Phototimer when a two-page presentation was devoted to it within the latest addition to the Life Science Library — a volume appropriately entitled "Time".

The Accutron Phototimer continues to be in great demand at major track and field events — it being a precision instrument that provides a vital service. This latest Phototimer development, a solid-state electronic photo-recording system that has replaced earlier tube-equipped models, starts operating the moment the starter's pistol fires. A Bulova-patented photoelectric transducer, attached to the pistol, instantly transmits a coded signal to the system's time base, which, in turn, starts the recording of elapsed time. To make the finish photo, a shutterless camera takes a continuous picture of the finish line on a frameless film strip that moves in the same direction and at a speed equal to that of the runners.

The new Bulova/Accutron Phototimer picture shows a panorama of time registered as an uninter-

rupted sequence of runners is fixed on the film strip. Simultaneously, the picture registers elapsed time in one one-hundredths of a second. Prints of the finish photo are available to judges within minutes.

Citation From the City of New York

Official New York City recognition was given last year to your company's "Operation Hospitality" volunteer program. Mayor John V. Lindsay presented this committee with the City's "Certificate of Appreciation". It cited the work of the committee's 23 volunteer hostesses, all wives of Bulova executives. Last year more than 1,600 visitors — primarily jewelers — were assisted by the hostesses during their visit to New York City. Since its inception in 1964, the program has assisted well over 5,000 visitors from all 50 states and 34 foreign countries.

FAA Test

A 26-pound civilian version of the self-powered Bulova Glide Angle Indicator Light (GAIL) was successfully used as a landing aid during a two-day test of the capabilities of helicopters and short take-off aircraft to supply Manhattan during emergency conditions. During the test, which was sponsored by the Federal Aviation Agency, GAIL was set up on a landing site on a waterfront pier extending into the Hudson River. The military version of GAIL is designed primarily to guide aircraft and helicopters into landings at partially cleared jungle sites.

Employees Reflect Vitality and Maturity

Employment, as reported earlier, is at an all-time high. This growth has been gradual and the stability of the work force, as reflected in the seniority of employees, has not been unbalanced. Twenty-nine per cent of the employees have been with the company ten or more years; 14 per cent have 20 or more years service. Last year 47 employees retired under the company's Pension Plan. In effect for 24 years, some \$6 million in benefits have been paid to more than 400 employees who have retired under its provisions.

The company's Scholarship program assisted 102 children of senior employees and made grants to 92 schools and colleges. This program has been in effect since 1953.

"GAIL" TEST—Glide Angle Indicator Light, designed by Bulova for U.S. Army use in jungle landings, was given a public demonstration recently, in New York City.



Source of Funds

	<i>Year Ended March 31</i>	
	1967	1966
From operations:		
Income for year	\$3,899,983	\$3,243,670
Charges against income not requiring funds:		
Depreciation	876,130	867,868
Deferred Federal taxes on income	59,675	34,287
	4,835,788	4,145,825
Increase in long-term debt	707,100	—
Proceeds from sales of Company's capital stock to officers and employees, net	351,663	28,196
	\$5,894,551	\$4,174,021

Use of Funds

	<i>Year Ended March 31</i>	
	1967	1966
Dividends to stockholders	\$1,207,303	\$1,181,774
Additions to plant property, net	2,401,459	1,608,661
Deferred charges	(124,810)	(107,359)
Sundry assets and investments	1,093,574	518,327
Increase in working capital	1,317,025	972,618
	\$5,894,551	\$4,174,021

**Consolidated Statement of Income
and Earned Surplus**

<i>Year Ended March 31, 1967 with Comparative Figures for 1966</i>	1967	1966
NET SALES	\$123,877,017	\$99,754,581
COST OF GOODS SOLD	85,682,256	67,163,043
GROSS PROFIT FROM SALES	38,194,761	32,591,538
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES.....	25,022,157	22,143,172
PROFIT FROM OPERATIONS (after deducting depreciation: 1967—\$876,130; 1966—\$867,868)	<u>13,172,604</u>	<u>10,448,366</u>
 INCOME CHARGES:		
Taxes, other than income taxes	3,204,864	2,407,634
Interest paid (less interest earned: 1967—\$125,148; 1966—\$155,702)	2,757,251	1,867,934
Contributions to employees' retirement plans (Note 6)	10,506	4,128
	<u>5,972,621</u>	<u>4,279,696</u>
INCOME BEFORE INCOME TAXES	7,199,983	6,168,670
 U.S. AND FOREIGN INCOME TAXES (NOTE 2).....	 3,300,000	 2,925,000
NET INCOME FOR THE YEAR	<u>3,899,983</u>	<u>3,243,670</u>
EARNED SURPLUS AT BEGINNING OF THE YEAR.....	32,635,884	31,406,588
	<u>36,535,867</u>	<u>34,650,258</u>
 DEDUCT DIVIDENDS PAID:		
Cash—\$.60 per share	1,207,303	1,181,774
Stock—2% (Note 4)	712,251	832,600
	<u>1,919,554</u>	<u>2,014,374</u>
 EARNED SURPLUS AT END OF THE YEAR (retained for use in the business)—(NOTES 3 and 4).....	 <u>\$ 34,616,313</u>	 <u>\$32,635,884</u>
NET INCOME PER SHARE OF COMMON STOCK (NOTE 4)	<u>\$1.94</u>	<u>\$1.61</u>

(See Notes to Financial Statements)

Consolidated Balance Sheet

ASSETS	1967	1966
CURRENT ASSETS:		
Cash	\$ 4,450,715	\$3,282,560
Customers' accounts and notes receivable (less allowance for doubtful accounts and notes: 1967—\$909,882; 1966—\$888,824)	37,544,380	34,361,644
Other receivables	890,341	1,442,545
Inventories, at cost or less:		
Watch materials, including finished parts	39,806,467	33,989,587
Industrial and defense materials (net of progress collections: 1967—\$5,368,240; 1966—\$1,470,000) ...	7,607,278	8,292,349
Precious metals	4,735,469	3,297,896
Other	3,095,528	2,456,541
	<u>55,244,742</u>	<u>48,036,373</u>
Prepaid expenses	1,128,706	1,117,267
Total current assets	<u>99,258,884</u>	<u>88,240,389</u>
NONCURRENT RECEIVABLES AND OTHER ASSETS.....	<u>1,291,983</u>	<u>1,570,033</u>
INVESTMENT IN AND ADVANCES TO SWISS SUBSIDIARIES, NOT CONSOLIDATED, AT COST (NOTE 1)	<u>1,568,105</u>	<u>196,481</u>
PLANT PROPERTY, AT COST (NOTE 2):		
Land, buildings and improvements	8,760,376	7,962,721
Machinery and equipment	8,323,277	6,957,315
Furniture, fixtures and leasehold improvements	1,101,177	1,083,619
	<u>18,184,830</u>	<u>16,003,655</u>
Less accumulated depreciation	8,206,061	7,550,215
	<u>9,978,769</u>	<u>8,453,440</u>
DEFERRED CHARGES	385,000	509,810
	<u>\$112,482,741</u>	<u>\$98,970,153</u>

(See Notes to Financial Statements)



WATCH COMPANY, INC. AND SUBSIDIARIES

March 31, 1967 with Comparative Figures at March 31, 1966

LIABILITIES	1967	1966
CURRENT LIABILITIES:		
Unsecured notes payable to banks and others (in 1967, including current instalment on long-term debt, \$235,700)	\$29,748,564	\$20,832,631
Accounts payable	6,709,510	5,988,663
Accrued salaries, wages, commissions and expenses.....	3,540,385	3,118,892
Accrued domestic and foreign taxes.....	1,855,293	2,212,096
Total current liabilities	41,853,752	32,152,282
LONG-TERM DEBT (NOTE 3):		
5% Promissory Notes due May 31, 1979.....	14,400,000	14,400,000
4½% Convertible Subordinated Debentures due Aug. 1, 1984	8,082,500	8,082,500
5¾% Promissory Notes due December 31, 1968-70	707,100	—
	23,189,600	22,482,500
DEFERRED FEDERAL TAXES ON INCOME (NOTE 2)	1,035,438	975,763
STOCKHOLDERS' EQUITY (NOTES 3 and 4):		
Common stock, \$5 par value:		
Authorized	5,000,000 shares	
Issued: 1967—2,068,599 shares; 1966—2,028,038 shares	10,342,995	10,140,190
Capital surplus	1,847,401	1,337,955
Earned surplus (retained for use in the business).....	34,616,313	32,635,884
	46,806,709	44,114,029
Deduct common stock, at cost, held for resale to officers and employees: 1967—27,370 shares; 1966—47,710 shares ...	402,758	754,421
Total stockholders' equity	46,403,951	43,359,608
	\$112,482,741	\$98,970,153

(See Notes to Financial Statements)

Notes to Financial Statements

Note 1. PRINCIPLES OF CONSOLIDATION:

The accompanying consolidated financial statements include the accounts of Bulova Watch Company, Inc. and all of its wholly-owned subsidiaries except Manufacture des Montres Universal Perret Freres S.A., which was acquired on February 3, 1967. Another majority-owned Swiss subsidiary is not consolidated.

Foreign currency items, principally Canadian and Swiss, included in the consolidated balance sheet consist of current assets \$13,606,000, other assets \$3,152,000, and liabilities \$10,246,000. All foreign currency items have been converted at current exchange rates at March 31, 1967 as to current assets and current liabilities, and at rates of exchange at time acquired as to plant property. It is the Company's practice to reflect any unrealized profit or loss in the consolidated statement of income and earned surplus.

Note 2. FEDERAL INCOME TAXES:

Deferred Federal taxes on income have been reflected in the accompanying consolidated financial statements to provide for the excess of tax over book depreciation of certain plant property. 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, 1965 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 1970 to 1979, inclusive, and a final instalment of \$1,600,000 on May 31, 1979. The notes contain minimum working capital requirements and place restrictions on the creation of additional indebtedness and other corporate actions, including the payment of dividends other than stock dividends. At March 31, 1967, earned surplus not restricted as to payments of dividends amounted to approximately \$9,376,000.

(b) 4½% convertible subordinated debentures due August 1, 1984:

The indenture relating to the 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 4.12 shares for each \$100 principal amount of debentures, subject to anti-dilution provisions. The 2% stock dividend payable June 29,

1967 resulted in an adjustment of the conversion rate to 4.20 shares.

The indenture places restrictions on various corporate actions, but these are generally less stringent than those contained in the 5% promissory notes referred to in (a) above.

(c) 5¼% Promissory Notes:

The notes are payable in equal annual instalments of \$235,700 on December 31 in each of the years 1967 to 1970.

Note 4. STOCKHOLDERS' EQUITY:

During the year, the stockholders approved an increase in authorized common stock to 5,000,000 shares.

In June, 1966, the Company paid a 2% stock dividend of 40,561 shares of common stock of the Company. Earned surplus was charged for \$712,251, the market value of the stock, common stock was credited with the par value of the stock issued, \$202,805, and capital surplus was credited with the remainder of \$509,446. On May 3, 1967 another 2% stock dividend was declared, payable June 29 to stockholders of record June 6. This dividend will be reflected in the accounts for the fiscal year ending March 31, 1968.

Under the qualified stock option plan authorized by the stockholders in July, 1964, options for 3,760 were exercised and an option for 1,020 was cancelled leaving 52,748 shares under option at March 31, 1967 at \$17.59 per share (after adjustment for 2% stock dividend paid June, 1966). Under this plan, 37,026 shares may be granted subsequent to March 31, 1967. Under a prior plan, options for 16,967 shares were exercised and options for 530 shares were cancelled during the year. At March 31, 1967, there remained 22,872 shares under option at prices ranging from \$14.14 to \$20.73 per share. No additional options may be granted under this plan.

At March 31, 1967, 332,999 shares of common stock were reserved for conversion of the 4½% convertible subordinated debentures.

Earnings per share of common stock for the years ended March 31, 1967 and 1966 would have been \$1.69 and \$1.42, respectively, assuming the issuance of stock reserved for options and conversion 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, 1966. Management is of the opinion that no excess profits were realized for the year ended March 31, 1967.

Note 6. RETIREMENT PLANS:

The cost of current service benefits under the Company's retirement plan for 1967, as computed by the actuaries, amounted to \$2,055,110, but because the total of excess investment income and security gains realized was greater than this amount, no contribution was required from the Company. There was no unpaid past service cost at March 31, 1967. Separate retirement plans are maintained by the Company's Swiss branch and by a Canadian and a British subsidiary.

Report of Independent Certified Public Accountants

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

We have examined the consolidated balance sheet of Bulova Watch Company, Inc. and subsidiaries as of March 31, 1967 and the related statement of income and earned surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated financial statements present fairly the financial position of Bulova Watch Company, Inc. and subsidiaries at March 31, 1967 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

New York, N. Y.

June 13, 1967

PEAT, MARWICK, MITCHELL & CO.



GIFT OF STATE

PRESIDENT LYNDON B. JOHNSON presented an Accutron clock to H. E. Chung Hee Park, the President of the Republic of Korea, in October, 1966.

The United States Government, in recognition of the American technological achievement inherent in Accutron, again, for the fourth consecutive year, chose Accutron electronic desk clocks as official gifts to visiting dignitaries and heads-of-state. Among these have been: President Arthur da Costa e Silva of the United States of Brazil; His Excellency, Ahti Karjalainen, Foreign Minister of Finland; Premier Aldo Moro of Italy; Prime Minister Lester B. Pearson of Canada; His Excellency, Jens Otto Krag, Prime Minister of Denmark; the former Prime Minister Sir Alec Douglas-Home of Great Britain; His Excellency, Dr. Raul Leoni, President of the Republic of Venezuela and Prime Minister Tunku Abdul Rahman of Malaysia.



AIR FORCE ONE

ACCUTRON TIME DISPLAY SYSTEM on President Lyndon B. Johnson's official plane, "Air Force One," reports Washington time, local time and time at the destination point of a flight. The system, which was designed and built by the Bulova Timer Laboratory, uses a total of nine Accutron electronic clocks. Each clock is identical with the Accutron Greenwich Mean Time clock on the instrument panels of manned Gemini spacecraft. One set of three clocks is located above the Presidential seal in the main passenger compartment; the second set is in the Presidential office; and the third set is on the wall of the Presidential stateroom. Each Accutron clock uses the same Accutron timekeeping unit employed in consumer models of the Accutron timepiece. The timekeeping unit's frequency standard is a tiny tuning fork that vibrates 360 times a second, or 31,104,000 times each 24 hours.

CARAVELLE

C-1 SKIFF "A"—smartly styled water-proof* watch with full numeral dial. Precision jeweled movement. **\$10.95**

C-2 CHESTERFIELD "A"—dapper dress watch with black suede strap, jeweled lever precision. **\$18.95**

C-3 DAY n' DATE—triple service watch tells time, day and date. 17 jewels. Waterproof*. **\$22.95**

C-4 ERICA "C"—petite charmer with easy-to-read dial. Adjustable telescope bracelet. **\$16.95**

C-5 SKIDMORE "K"—the new look in a 17 jewel watch for sport or dress. Black suede strap. **\$19.95**

C-6 SKIDMORE "G"—lovely oval faced beauty with matching adjustable bracelet. 17 jewels. **\$19.95**

C-7 MUSETTE "D"—clever clover pendant keeps perfect time. White Florentine finish, gold-tone trim. **\$17.95**

C-8 COUNTESS "A"—dainty diamond-shape watch pendant comes with its own 24" link chain. **\$19.95**

C-9 WATCHARM "C"—time in the round. Diamond-cut design, gold-tone trim, long link chain. **\$19.95**

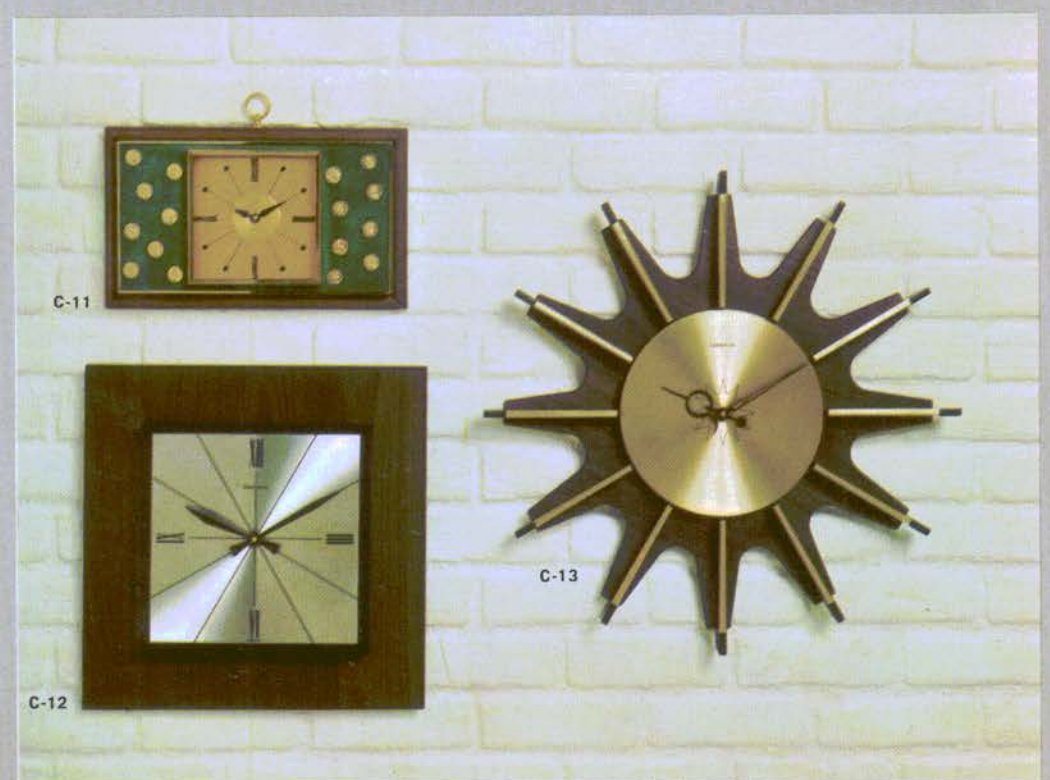
C-10 MINUET "J"—pretty little loud mouth, only 1 3/4" in diameter has an ample alarm, calendar window; compact for travel. Choice of marbelized colors, brass trim. **\$19.95**

C-11 FORUM—Outstanding design achievement in a cordless electric wall clock. Oiled walnut frame, gold metal trim, simulated Roman coins on black or dark green background. 8" high, 14 1/4" wide, 2" deep. **\$29.95**

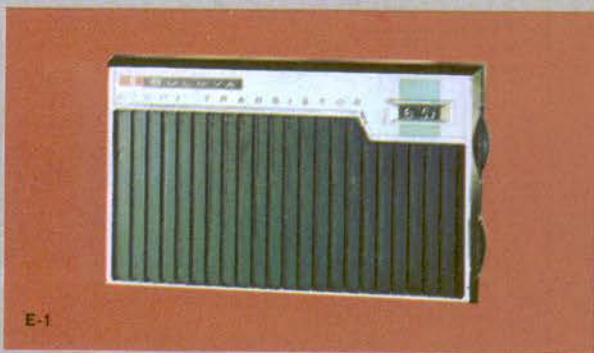
C-12 NASSAU—Simple elegance to highlight any hour, any wall. Silvertone dial, ebony dial markers, walnut finish panel. Fully transistorized. 16" square. **\$24.95**

C-13 DORADO—Magnificently modern cordless electric wall clock. Goldtone dial, brass finish hour markers, walnut finish back panel with ebony trim. 22" diameter. **\$29.95**

* Waterproof when case, crystal and crown are intact.



C-10



E-1



E-5



E-2



E-6



E-3



E-7



E-4



E-8

BULOVA ELECTRIC PRODUCTS

E-1 BLAZER—Big sound in a miniature portable, only 2¾" high, 4½" wide. 8 transistors. Operates on single 9-volt battery. **\$12.95**

E-2 PREVIEW—Rugged AM/FM portable converts from battery to AC with its own built-in line cord. 10 transistors. **\$39.95**

E-3 ENTERPRISE—Superb sounding AM/FM 10 transistor portable. Operates on 4 penlite cells or AC current from built-in line cord. Genuine leather. **\$49.95**

E-4 FLAIR—Fully automatic AM/FM clock radio in walnut, gold or silver metal. 9 transistors. Full feature clock activates alarm or radio at pre-set time. **\$49.95**

E-5 SPONSOR—Two antenna system adds power to AM/FM/Shortwave reception. Has battery life and electric eye tuning indicator. **\$54.95**

With built-in line cord. **\$59.95**

E-6 TRIBUTE—Handsome AM/FM desk model radio clock. 9 transistors. AFC, tone control, slide rule vernier tuning. **\$59.95**

E-7 VENTURA—Dramatic cabinet design in gold or silver metal. AM/FM cordless electric 10 transistor radio. Clock activates alarm, turns radio on or off at pre-set time. 5¼" x 6½". **\$59.95**

E-8 GALAXY—Swivels at a touch of a finger from clock to radio. AM/FM radio has 8 transistors, slide rule vernier tuning. Clock operates for full year on single battery. **\$59.95**

BULOVA

Annual Report for the year ended
March 31, 1967