

**Fairchild  
Camera  
and  
Instrument  
Corporation  
1975  
Annual  
Report**

## FINANCIAL HIGHLIGHTS

	1975	1974	% Change
<i>For the year:</i>			
Net sales	\$291,542,000	\$384,933,000	-24.3
Income before cumulative effect of change in accounting method	\$ 10,424,000	\$ 27,032,000	-61.4
Cumulative effect on prior years (to December 29, 1974) of change in accounting method	\$ 2,649,000	—	—
Net income	\$ 13,073,000	\$ 27,032,000	-51.6
Average number of common and common equivalent shares outstanding	5,372,901	5,228,523	+ 2.8
<i>End of year:</i>			
Working capital	\$107,982,000	\$101,368,000	+ 6.5
Shareholders' equity	\$171,844,000	\$159,390,000	+ 7.8
Number of employees	17,405	18,092	- 3.8
Number of shareholders	11,179	12,325	- 9.2
Shares issued	5,278,563	5,161,592	+ 2.3
<i>Per share statistics:</i>			
Income before cumulative effect of change in accounting method	\$ 1.94	\$ 5.17	-62.5
Cumulative effect of change in accounting method	.51	—	—
Net income	2.45	5.17	-52.6
Shareholders' equity at year end	32.55	30.88	+ 5.4
Cash dividends	.80	.75	+ 6.7

## TO OUR SHAREHOLDERS:

In 1975, Fairchild embarked on new ventures in consumer and industrial end-products which will have a pronounced effect on our future growth. Trends in the world economy, however, continued to influence the semiconductor components business, which today represents a substantial portion of company volume.

Compared with the 1970-71 downturn, the recession which struck the components industry in mid-1974 proved both deeper and longer, accentuated by the strong growth of the intervening period. It was particularly severe in certain product and customer segments vital to Fairchild—including digital integrated circuits, discrete devices and the large-scale computer market.

After more than 15 months of persistent decline, the third quarter of 1975 gave evidence that the recession was ending. The latter half of the year brought a gradual, but sustained, increase in new orders, as inventories were worked off both at the component and the equipment level. The recovery was slower than anticipated but it pointed to a general strengthening in 1976, subject to overall business conditions here and abroad.

While Fairchild's sales improved during the fourth quarter, profit margins did not keep pace, due to a combination of factors. These included pricing pressure on commodity-type components and a temporary, but costly, manufacturing yield problem involving the production of solid-state memories.

For the 12 months ended December 28, 1975, the corporation reported income, prior to an accounting change, of \$10,424,000, or \$1.94 per share, on sales of \$291,542,000. This compared with 1974 net income of \$27,032,000, or \$5.17 per share, on sales of \$384,933,000.

In addition, the company reported \$2,649,000, or \$.51 per share, as the result of an accounting change, bringing 1975 net income to \$13,073,000, or \$2.45 per share. The accounting change represents the adoption of an improved inventory costing method and complies with recently clarified IRS regulations.

The cost pressures which existed during the fourth quarter will not ease immediately. Low prices on components now being shipped, as well as the residual impact of the manufacturing problem, will adversely affect income in the first quarter of 1976.

We have resolved the production problem from a technical standpoint and our memory shipments, both bipolar and MOS (metal-oxide-semiconductor), are back on the uptrend. Pricing also has become firmer on new component orders, which should positively influence billings for the remainder of the year.

Last year, Fairchild firmly established itself as a consumer products supplier. Our investment in the digital watch business has opened up a new and growing worldwide market to the company. Consumer acceptance of Fairchild five-function LED (light-emitting diode) watches in the latter part of 1975 was excellent and our new, low-priced Timeband™ line should stimulate further momentum this year.

The company's entry into the consumer marketplace is part of a strategy to expand from a basic components business into logical end-products which can utilize our semiconductor technology and manufacturing base. Earlier this year we announced plans to develop and market, jointly with another company, an electronic game for home video use. Other consumer products will be introduced in the coming months.

Our Federal Systems business is becoming increasingly electronic as well, with heavier semiconductor content, particularly in electro-optical products. The Instrumentation Systems Group has extended its leadership in MOS/LSI testing with the Sentry II system, and now offers lower-priced, dedicated memory testers produced by the Xicom Division. This group also introduced a line of digital panel meters in 1975. Shipments in quantity of the Industrial Products Division's new sound filmstrip projectors commenced in the fourth quarter.

The company put into production its 4,096-bit random access memories (4K RAMs) during the latter part of 1975, with good market acceptance. Our F8™ microprocessor has also been well-received, and should lead both to increased sales and possibly to other end products this year.

Inventories rose during the final quarter, partly to support our sales growth and partly due to the accounting change previously described. The accounting change had a slight negative impact on fourth quarter earnings.

Order input improved in every segment of the business during the second half, and backlog increased in all operating groups. New orders exceeded shipments for each of the last four months of 1975, with fourth quarter bookings the strongest of any quarter in the year. European business continued to lag that of the United States, but sales levels in Japan, the Far East and Latin America grew modestly in the second half.

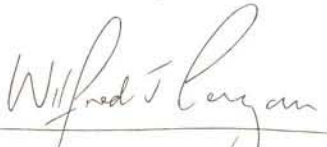
At year-end, working capital was \$108 million, and shareholders' equity \$172 million. Cash and short-term securities approximated \$25 million. Total spending for research, development and engineering in 1975 was \$38 million.

Capital expenditures for the past year amounted to \$21 million. Our main capital expenditures related to construction of a 100,000 square foot assembly plant in Jakarta, Indonesia; a 265,000 square foot plant in San Jose, Calif; and a new semiconductor test facility in Singapore. Ground also was broken for a polysilicon manufacturing plant in Chandler, Arizona, as part of a joint venture of Fairchild and Applied Materials, Inc.

In summary, 1975 was a difficult business year which tested the company and all of its people. The dedication and effort of the thousands of Fairchild employees around the world enabled us to meet this challenge.

The anticipated improvement in business conditions later in 1976 should have a positive effect on the company's progress. Certain markets important to Fairchild, such as the large-scale computer industry, have not yet shared in this recovery but we expect a strengthening by the second half.

This outlook, coupled with rising demand in the field of consumer and industrial end-products, are encouraging signs for the year ahead.

  
Wilfred J. Corrigan  
*President and Chief Executive Officer*

March 15, 1976

## OPERATIONS REVIEW

### Electronic Components and Systems

The major portion of this line of business consists of semiconductor devices; electronic test systems, instruments and microprocessors; and solid-state digital watches.

Fairchild manufactures and sells a wide range of semiconductor products including analog and digital integrated circuits, discrete devices (transistors and diodes), and hybrid products. These components employ virtually every major semiconductor technology in standard use by the industry. Principal market segments are computer, industrial, government and consumer areas.

The company also produces electronic test equipment, sold both to users and manufacturers of semiconductor components. Other products in this grouping include microprocessors, microcomputers and digital panel meters.

Fairchild's men's and ladies' digital watches are sold to the consumer market through fine jewelry stores, department stores and other retail outlets in the U.S. and abroad.

### Semiconductor

The BIPOLAR MEMORY AND ECL PRODUCTS DIVISION, a leading supplier of high-performance bipolar memories, introduced several new products in 1975 based on Fairchild's proprietary Isoplanar processing technique. These included a full line of programmable read-only memories (PROMs), including 2,048 and 4,096-bit devices. PROMs are among the basic memory types used in microprocessor systems.

Late in the year the division completed development work on Fairchild's first Isoplanar Integrated Injection Logic (I<sup>3</sup>L™) product, a 4,096-bit random access memory (RAM) that combines the performance of high-speed bipolar memories with the packing density of MOS memories. This device is scheduled for production in 1976.

During the year the DIGITAL PRODUCTS DIVISION expanded several significant product lines, including low power Schottky TTL (transistor-transistor logic) circuits, which are expected to be the dominant bipolar logic elements well into the 1980s.

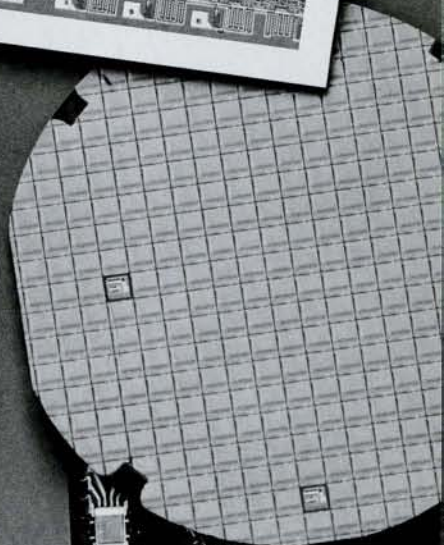
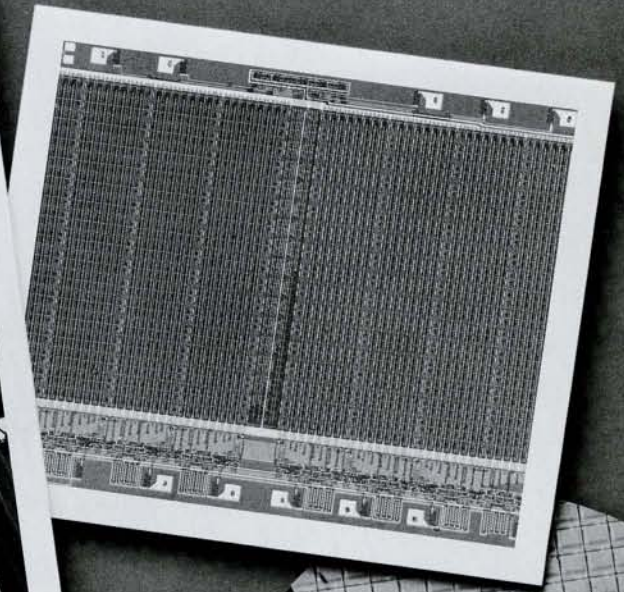
The division also introduced a family of high-performance large-scale integration (LSI) circuits based on low power Schottky technology. This family, called Macrologic™, is designed to provide a flexible means of expanding the total processing capacity of a computer system. The current family was augmented during the year by the introduction of identical circuit functions utilizing CMOS (complementary MOS) technology for extremely low power operation and high noise rejection.

Fairchild's extensive CMOS product line earned wide recognition throughout the industry for reliability and quality. Pricing of CMOS products, however, fell under heavy competitive pressure during the year, as did the division's standard TTL circuit family.

The MOS PRODUCTS DIVISION manufactures and markets MOS logic circuits, memories and CCD (charge-coupled device) products. In the MOS standard product

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*Silicon wafers are loaded into an ion implantation machine during fabrication of large-scale integration circuits (left center photo). Ion implantation allows more precise control of circuit characteristics than conventional manufacturing methods. In other manufacturing steps, circuits are exposed to precision patterns during masking operation (top left photo), and the resulting pattern tolerances are checked with a television monitor connected to a microscope (top center photo). After wafers are tested and separated into individual circuit chips, the devices are mounted in packages and wire bonds made between the circuit and the package frame (top right photo). A photomicrograph of a typical LSI circuit, a wafer and packaged devices are shown at bottom.*



memory market, the division began production of its 4K N-channel RAM, a static 1,024-bit N-channel RAM, and the industry's first 256 x 8-bit static N-channel RAM. Because of its 8-bit format, this last product is well suited for use with microprocessors and related systems.

The division also introduced a line of advanced circuits for use in digital clocks and clock radios, as well as several products for the television broadcasting industry, such as the 3262 sync pulse generator.

In the CCD area, the division began marketing a 9,216-bit dynamic shift register memory, and a 16,384-bit line addressable random access memory (LARAM). These two products marked the arrival of CCD as an important memory technology, particularly in large-scale memory applications.

In addition to memories, three CCD imaging devices were introduced during the year, expanding the line of solid-state image sensors which launched the CCD effort in 1973. These advanced devices include a 1,728-element high resolution linear image sensor, a 130/260-bit analog shift register and a 190 x 244-element area image sensor utilized in an improved miniature television camera.

The LINEAR INTEGRATED CIRCUITS DIVISION during 1975 introduced key products in the consumer electronics area, as well as in the industrial controls and interface circuit markets.

Of growing importance was our line of three-terminal voltage regulator circuits, which find use in virtually all types of electronic equipment. Fairchild now markets a family of fixed positive and negative voltage regulators, as well as an adjustable type. New products for the television market include color processing circuits that are compatible with the European PAL color system.

In the interface area, several products with improved speed performance were introduced, and a series that meets recently developed international standards was readied for announcement in 1976.

The AUTOMOTIVE PRODUCTS DIVISION continued to increase production of electronic ignition systems for the automotive industry, as well as modular solid-state devices for other applications.

The division entered the consumer market with two products designed to upgrade the performance of automobiles without factory-installed electronic ignition. These are an add-on electronic ignition system that utilizes the conventional breaker points already installed in cars, and a more advanced model that replaces the point system with a reliable breakerless system.

The company's efforts in the discrete components area are carried out in the DIODE DIVISION and the SMALL SIGNAL and POWER TRANSISTOR units. More than 30 new product types were added to the power transistor line during the year, including high current and high voltage devices for audio and industrial amplifiers, electronic ignition systems and motor drive equipment.

Zener diodes and rectifiers found broad-based markets in the consumer, industrial and computer segments. Although consumption of diodes and transistors

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*Power transistors are sorted for electrical performance characteristics while still in wafer form on a probe testing machine (left photo). After sorting, wafers are separated into individual transistor chips and assembled in rugged packages designed for maximum heat dissipation (center photo). Before being marked with the proper identifying codes and packed for shipment, completed power transistors undergo final testing and sorting in high-speed computer test equipment (right photo). Finished products and a representative technical brochure showing a photomicrograph of a transistor chip are shown at bottom.*



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continues to grow at a slower pace than integrated circuits, they remain a significant part of the company's solid-state business.

The RESEARCH AND DEVELOPMENT LABORATORY carries out product and process development projects for all semiconductor divisions.

During the year the laboratory advanced process technology in wafer fabrication and basic circuit design, and contributed to process development for such new technologies as the 4K MOS RAM, the I<sup>3</sup>L program, N-channel MOS manufacturing techniques, and a number of emerging proprietary programs.

#### **Consumer Products**

Fairchild's Consumer Products Group, headquartered in Palo Alto, California, consists of the WATCH DIVISION, the EXETRON DIVISION and the OPTO-ELECTRONICS DIVISION. In addition to electronic digital watches, the group markets watch modules and circuits, LED (light-emitting diode) lamps and digits, phototransistors, light sensors and emitters, and optical couplers.

Last May, Fairchild announced formation of this new product group aimed at consolidating and concentrating the company's resources and efforts in the consumer electronics field. Its initial charter was to establish a strong position in the rapidly growing electronic digital watch market.

In July, the group announced its first product—a line of medium priced men's and ladies' digital watches. Shipments began in the fall and, since then, consumer response to the Fairchild™ watch has been excellent. The company is acknowledged as a major factor in this emerging marketplace.

In January of 1976, the company announced its new line of digital watches—an expanded Fairchild™ series, ranging in price from \$70 to \$195, and the new Timeband™ series, priced from \$29.95 to \$54.95. Timeband watches compete directly with inexpensive mechanical watches sold at various retail outlets. A third line of Fairchild watches will be directed at the more affluent consumer and ranges upward from \$225.

In 1976, the company will add digital clocks and electronic games for use with home TV receivers to its consumer product lines. In addition, Fairchild will begin marketing its digital watches in other countries, including Europe and Japan.

During the year, the company acquired the assets of three companies—Exetron, a manufacturer of digital watch modules; Princeton Material Sciences, a manufacturer of liquid crystal displays for digital watches; and Think Industries, a producer of watch cases. All have been absorbed into the Watch Division except Exetron, which supplies watch circuits and modules to Fairchild and other companies.

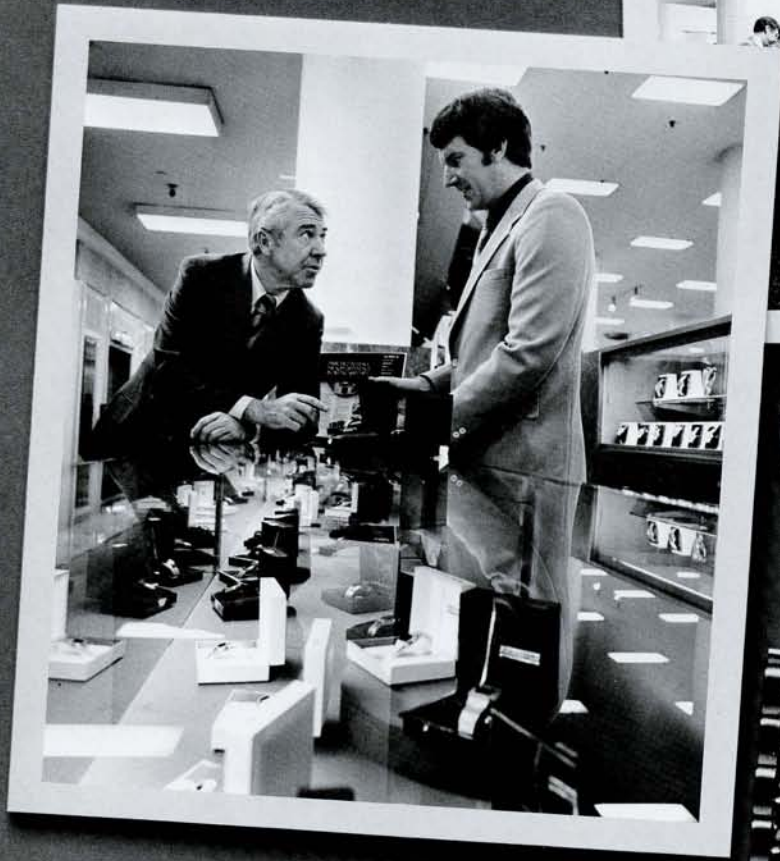
The Optoelectronics Division supplies LED displays for the digital watch market, as well as for home appliances, clocks, test equipment and point-of-sale terminals. Phototransistors and infra-red sensors and emitters are sold for use in burglar and smoke detection systems.

#### **Instrumentation Systems**

Instrumentation Systems, headquartered in San Jose, California, includes

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*The May Company in Los Angeles features Fairchild series digital watches in its fine jewelry department (left photo). The Fairchild display at the Consumer Electronics Show in Chicago early this year showed 1976 watch lines for the first time (center photo). The Optoelectronics Division produces displays for digital clocks (right photo). Shown below to the left are digital watch modules and components that are integral to watch operation. To the right (from left to right) are the Timeband™ T352 ladies' watch, the T231 men's watch, the Fairchild F1021 men's watch, and a ladies' watch from the company's new high end series.*



the SYSTEMS TECHNOLOGY DIVISION, the XINCOM DIVISION, and the MICRO-SYSTEMS DIVISION. The product line consists of semiconductor test systems, microprocessors and associated equipment, and digital panel meters.

The nucleus of the group is the Systems Technology Division, which for 10 years has been a leading supplier of automatic test equipment for semiconductor devices. There are over 2,000 Fairchild test systems currently installed.

In September, Fairchild acquired Xincom Corporation of Chatsworth, California, a manufacturer of medium-priced semiconductor memory test systems that complement the product line of the Systems Technology Division. Xincom test systems serve a fast-growing segment of the semiconductor market and are purchased by both manufacturers and users.

The company also announced its entry into the electronic instruments field with a line of digital panel meters to be produced and marketed by a new Fairchild operation, the INSTRUMENTATION unit. Panel meters are sold to original equipment manufacturers through a worldwide network of representatives.

A major corporate decision was implemented late in 1975 with the formation of the Microsystems Division, responsible for all company efforts in the area of microprocessors, microcomputers and related products. The division's initial product line consists of the F8™ microprocessor, developed by the MOS Products Division, and its design aid — the Formulator™ system — developed by the Systems Technology Division.

A highlight of the past year for Systems Technology was the September introduction of the Sentry II computer-controlled semiconductor test system. This advanced tester can accommodate the most intricate semiconductor circuitry used or produced today, including microprocessors and equivalent memory components. The Sentry II ranges in price from \$250,000 to \$350,000.

Sales of the lower-end Qualifier™ test system for incoming inspection of components grew modestly in 1975. A new option for the Qualifier, introduced at mid-year, permits customers to handle their own test programming.

### **Other Products — Principally Government**

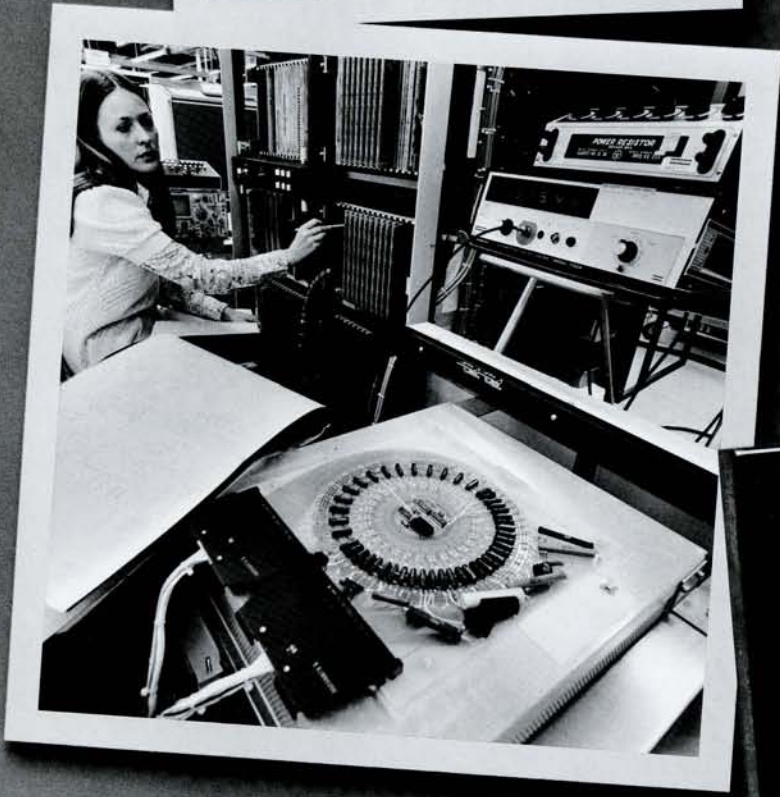
Fairchild is engaged in the development and production of space and defense systems and products for NASA, the military services and other government customers. The company also manufactures and markets audio-visual and aviation products to a variety of commercial, industrial, educational and government customers.

### **Federal Systems**

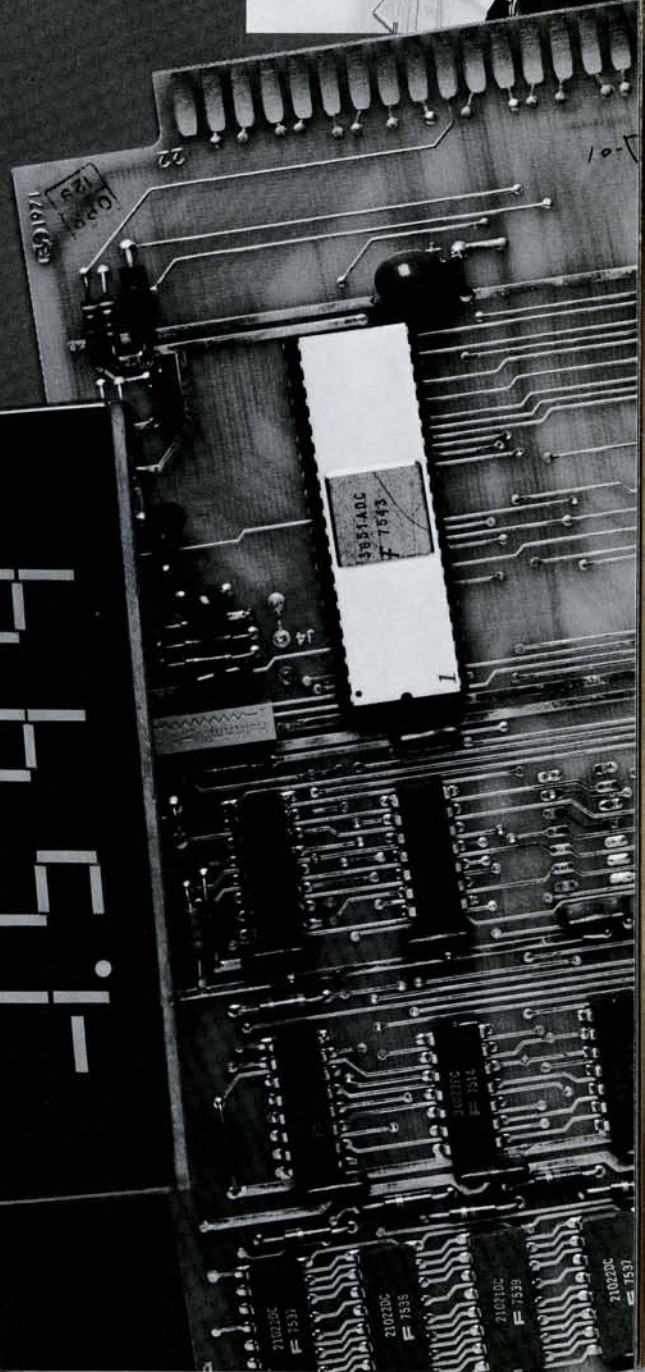
Federal Systems is headquartered in Syosset, New York, and includes the SPACE & DEFENSE SYSTEMS DIVISION, the IMAGING SYSTEMS DIVISION, and the SECURITY AND SURVEILLANCE SYSTEMS unit. Product lines consist of electronic data systems, radio-frequency monitoring systems, aerial reconnaissance and surveillance systems, CCD television cameras, and electronic timing and control

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*A technician checks functions of Sentry II computer-controlled semiconductor test system during final testing of the unit on assembly floor at Systems Technology Division (lower left photo). Other photos (from left) show an engineer using the F8™ Formulator system to develop hardware and software for a microprocessor application; a Systems Technology sales engineer demonstrating the Sentry II test system using a Fairchild Series Seventy projector; digital panel meters during quality control "burn-in" before shipment. Actual components shown are a digital panel meter and an F8 evaluation board, available to customers as an engineering and development tool.*



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systems. Federal Systems also assembles and installs large closed-circuit television systems for security and surveillance uses.

The past year was one of reorganization for Federal Systems. The Electro-Optical Systems unit was combined with the photographic systems department of the Space & Defense Systems Division to form a new division, Imaging Systems. Its key product introduction was the third in a series of CCD miniature television cameras, the MV-201, designed primarily for government and industrial applications. It offers substantially improved picture quality over prior versions.

During the past year, the Fairchild CCD TV camera found its way into increasingly varied applications. One incorporates the camera into an artillery shell to be used for battlefield reconnaissance. Another involves a camera system that is lowered into mine shafts to aid in the search for trapped miners.

The Imaging Systems Division is currently at work on contracts to provide various aerial reconnaissance cameras to the U.S. Air Force. Another contract calls for production of automatic film titling systems to be used at Air Force bases throughout the world.

The Space & Defense Systems Division is developing several large-scale RF (radio-frequency) systems for various governmental agencies. In May, the division received a \$5.2 million contract to supply eight of these systems to the U.S. Army Electronics Command at Fort Monmouth, New Jersey. Since 1966, Space and Defense has delivered 50 of the systems to the Electronics Command.

This division entered the secure communications system business in 1975, receiving its first contract. These systems make possible undetected communication of classified information over telephone lines.

#### **Industrial Products**

The Industrial Products Division, headquartered in Commack, New York, manufactures and markets audio-visual systems, aviation equipment, pressure transducers, and magnetic-tape recording and playback systems for the aviation and other markets.

The division announced the Synchronomatic 110 sound filmstrip projection system in early 1975, and, during the year, mounted a strong effort to bring this product to market successfully. By the fourth quarter, the Synchronomatic 110 was being shipped in production quantities. Sales of Fairchild portable, rear-screen movie projectors also improved over the prior year.

During the year, three additional airlines equipped their planes with Fairchild's STAN<sup>®</sup> integral weight and balance systems. STAN systems are presently being used by more than 36 domestic and international airlines in addition to the U.S. Presidential Airfleet. The division also improved its sales of cockpit voice recorders with first-time sales to many small and medium-size European airlines.

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*Operator at controls of radio-frequency surveillance system custom installed in vehicle by the Space and Defense Systems Division (upper left photo). Production of Synchronomatic 110 film strip projectors at the company's Industrial Products Division (upper left center photo). Control center video displays are used to create software for Fairchild Automatic Intercept and Response System—FAIRS<sup>™</sup>—(upper right center photo). In the optics laboratory of the Imaging Systems Division, a micro probe measures radius of a lens (upper right photo). The MV 201 is the third in a series of miniature TV cameras that utilize charge-coupled-device (CCD) technology (lower left photo). Elements of large lens precision lenses are ground to the required radius in optics laboratory (lower right photo). Various lenses and filters used in Fairchild aerial cameras are at the bottom of the page.*

## FIVE YEAR SUMMARY OF OPERATIONS AND FINANCIAL REVIEW

	1975	1974	1973	1972	1971
<i>Progress in Operations (in thousands except per share data)</i>					
Net sales	\$291,542	\$384,933	\$351,171	\$223,896	\$193,088
Royalties and other income	8,188	10,619	10,397	6,329	7,629
	<u>299,730</u>	<u>395,552</u>	<u>361,568</u>	<u>230,225</u>	<u>200,717</u>
Cost of sales	208,712	264,194	245,450	165,794	158,940
Administrative and selling expenses	69,732	75,882	61,975	47,888	44,514
Interest expense	4,154	3,868	3,661	3,737	3,952
	<u>282,598</u>	<u>343,944</u>	<u>311,086</u>	<u>217,419</u>	<u>207,406</u>
Income (loss) before income taxes, extraordinary credit and cumulative effect of change in accounting method	17,132	51,608	50,482	12,806	(6,689)
Provision for income taxes	6,708	24,576	23,733	5,080	1,152
Income (loss) before extraordinary credit and cumulative effect of change in accounting method	10,424	27,032	26,749	7,726	(7,841)
Extraordinary credit	—	—	14,410	3,300	—
Cumulative effect on prior years (to December 29, 1974) of change in accounting method (1)	2,649	—	—	—	—
Net income (loss)	<u>\$ 13,073</u>	<u>\$ 27,032</u>	<u>\$ 41,159</u>	<u>\$ 11,026</u>	<u>\$ (7,841)</u>
Per share of common stock:					
Income (loss) before extraordinary credit and change in accounting method	\$1.94	\$5.17	\$5.12	\$1.58	\$(1.79)
Extraordinary credit	—	—	2.76	.68	—
Cumulative effect of change in accounting method (1)	.51	—	—	—	—
Net income (loss)	<u>\$2.45</u>	<u>\$5.17</u>	<u>\$7.88</u>	<u>\$2.26</u>	<u>\$(1.79)</u>

**FIVE YEAR SUMMARY OF OPERATIONS AND FINANCIAL REVIEW (Continued)**

	1975	1974	1973	1972	1971
<i>Selected Operating Data (in thousands)</i>					
Net sales by line of business:					
Electronic components and systems	\$256,378	\$344,790	\$301,091	\$178,890	\$135,169
Other products — principally government	35,164	40,143	50,080	45,006	57,919
Income (loss) before income taxes, extraordinary credit and change in accounting method by line of business:					
Electronic components and systems	13,041	46,909	45,888	11,191	(7,020)
Other products — principally government	4,091	4,699	4,594	1,615	331
Net sales of solid state devices	226,036	321,548	281,370	161,714	123,759
International sales	82,732	113,574	87,730	42,919	34,490
Royalty income	4,766	7,312	7,467	6,037	6,696
Research, development and engineering (2)	37,550	40,288	38,251	29,287	28,145
Depreciation and amortization	15,890	14,092	12,039	10,368	11,354
Capital expenditures	20,693	41,342	34,558	11,218	6,527
<i>Financial Position at Year End (in thousands)</i>					
Cash and temporary cash investments	\$ 25,194	\$ 33,392	\$ 34,272	\$ 25,535	\$ 11,666
Short-term borrowings	9,455	6,819	7,265	9,525	4,277
Working capital	107,982	101,368	98,285	75,833	46,583
Property, plant and equipment, net	112,256	108,847	88,040	66,044	69,494
Long-term debt, including current portion	46,825	49,592	51,674	57,199	59,202
Shareholders' equity	171,844	159,390	134,207	86,691	57,798
<i>Statistics and Key Ratios</i>					
Average common and common equivalent shares	5,372,901	5,228,523	5,224,826	4,877,184	4,385,120
Shares issued at year end	5,278,563	5,161,592	5,106,187	4,979,476	4,387,620
Number of shareholders at year end	11,179	12,325	10,464	11,836	14,486
Shareholders' equity per common share at year end	\$ 32.55	\$ 30.88	\$ 26.28	\$ 17.41	\$ 13.17
Employees at year end	17,405	18,092	25,525	18,866	15,144
Net sales per employee (based on average number of employees)	\$ 17,660	\$ 17,650	\$ 15,800	\$ 13,200	\$ 13,200
Backlog of orders at year end (000's)	\$128,000	\$161,000	\$265,000	\$129,000	\$ 94,000
Income (loss) before extraordinary credit and change in accounting method as a percent of:					
Net sales	3.6%	7.0%	7.6%	3.5%	(4.1%)
Shareholders' equity at year end	6.1%	17.0%	19.9%	8.9%	(13.6%)
Current ratio at year end	2.4	2.2	2.4	2.6	2.3
Long-term debt to total capitalization at year end (3)	21%	24%	28%	40%	51%

(1) In 1974 and in the fourth quarter of 1975, the Company adopted improvements in its inventory costing method which are described in Note 2 to the consolidated financial statements. The effect of these changes in inventory costing, except for the cumulative effect of the 1975 change, was not material.

(2) Stated in accordance with the definition expressed in Summary of Accounting Policies in the financial statements. Amounts expressed include customer reimbursements.

(3) Total capitalization defined as the sum of long-term debt (including current portion) and shareholders' equity.

NOTE—See "Management's Discussion and Analysis of the Summary of Operations," on pages 16 to 18.

## CORPORATE DIRECTORY

### Board of Directors

Roswell L. Gilpatric	Chairman of the Board of the Corporation; Presiding Partner, law firm of Cravath, Swaine & Moore
C. Lester Hogan	Vice Chairman of the Board of the Corporation
Wilfred J. Corrigan	President and Chief Executive Officer
Albert Bowers	Vice Chairman of the Board, Syntex Corporation; President, Syntex (USA), Inc.
William C. Franklin	Consultant
Lt. Gen. James B. Lampert (U.S. Army — Retired)	Vice President, Massachusetts Institute of Technology
Louis F. Polk, Jr.	Chairman, President and Chief Executive Officer, Leisure Dynamics, Inc. (hobby, game and toy products); Chairman, Northstar Industries, Inc. (business consulting firm)
William A. Stenson	Partner, Spiegel & Stenson (investment counselors)
J. Bradford Wharton, Jr.	Management Consultant; President of the Wealdon Company (a family corporation — investments and farming)

### Officers

Wilfred J. Corrigan	President and Chief Executive Officer
<i>Corporate Staff</i>	
Warren J. Bowles	Vice President — Industrial Relations
A. James Hazle	Vice President — Controller
Frederick M. Hoar	Vice President — Communications
Thomas A. Longo	Vice President — Chief Technical Officer
R. Douglas Norby	Vice President — Finance
Nelson Stone	Vice President — General Counsel and Secretary
James A. Unruh	Vice President — Treasury and Corporate Planning
Raul Pitchon	Treasurer

### *Operations*

James D. Bowen	Vice President and General Manager — Instrumentation Systems Group
John A. Duffy, Jr.	Vice President — Marketing, Commercial and Component Operations
Raymond G. Hennessey	Vice President and General Manager — Industrial Products Division
David J. Marriott	Vice President and General Manager — International Division
Louis H. Pighi	Vice President and General Manager — Federal Systems Group
Gregorio Reyes	Vice President and General Manager — Consumer Products Group
George D. Wells	Vice President and General Manager — Components Group

Richard Franklin	Assistant Secretary
John J. Giblyn	Assistant Controller
Philip Haas, Jr.	Assistant Treasurer
Stanley Winston	Assistant Secretary (Attesting)

### *Independent Accountants*

Price Waterhouse & Co.

### *Transfer Agent*

The Bank of New York

### *Registrar*

First National City Bank of New York

### Annual Report on Form 10-K

Fairchild's Annual Report on Form 10-K for the year ended December 28, 1975, as filed with the Securities and Exchange Commission, contains additional information about the Company and is available to Fairchild shareholders on request, without charge. Please write: Corporate Communications Department, Fairchild Camera and Instrument Corporation, 464 Ellis Street, Mountain View, California 94042.





Fairchild Camera and Instrument Corporation  
464 Ellis Street, Mountain View, California 94042