

**FINANCIAL HIGHLIGHTS**
**1**

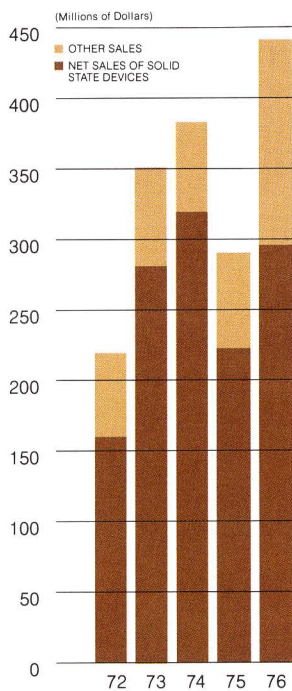
	1976	1975	% Change
<i>For the year:</i>			
Net sales	\$443,221,000	\$291,542,000	+52.0
Income before cumulative effect of change in accounting method	\$ 12,456,000	\$ 10,424,000	+19.5
Cumulative effect on prior years (to December 29, 1974) of change in accounting method	—	\$ 2,649,000	—
Net income	\$ 12,456,000	\$ 13,073,000	-4.7
Average number of common and common equivalent shares outstanding	5,476,865	5,372,901	+1.9
<i>End of year:</i>			
Working capital	\$113,865,000	\$100,506,000*	+13.3
Shareholders' equity	\$177,609,000	\$166,329,000*	+6.8
Number of employees	21,293	17,405	+22.3
Number of shareholders	10,429	11,179	-6.7
Shares issued	5,359,552	5,278,563	+1.5
<i>Per share statistics:</i>			
Income before cumulative effect of change in accounting method	\$ 2.27	\$ 1.94	+17.0
Cumulative effect of change in accounting method	—	.51	—
Net income	2.27	2.45	-7.3
Shareholders' equity at year end	33.14	31.51*	+5.2
Cash dividends	.80	.80	—

\*Restated — see Note 3 of the Notes to Consolidated Financial Statements.

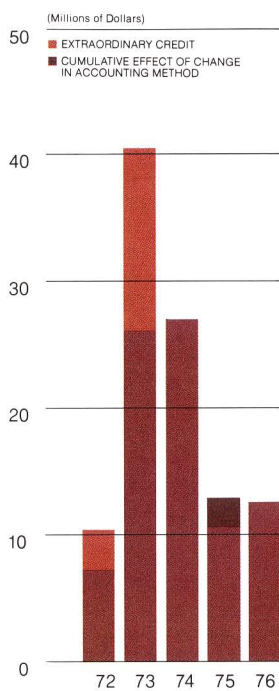
**Annual Report on Form 10-K**

Fairchild's Annual Report on Form 10-K for the year ended January 2, 1977, 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.

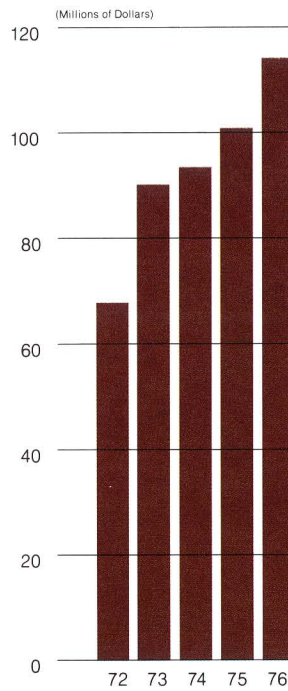
### NET SALES



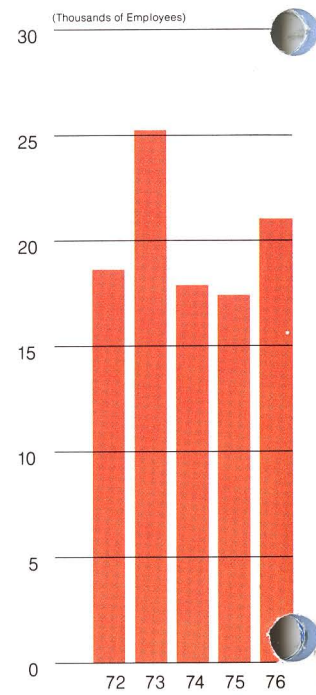
### NET INCOME



### WORKING CAPITAL



### EMPLOYEES AT YEAR END



**TO OUR SHAREHOLDERS:**

While on many counts 1976 was a difficult business year, it was a milestone for Fairchild Camera, particularly as we begin our fiftieth anniversary as a company.

Worldwide sales grew 52 percent, to the all time high of \$443,221,000, from \$291,542,000 the year before. All portions of the company contributed to this record, which constitutes an important benchmark in our long-term corporate growth.

Earnings rose 20 percent to \$12,456,000, or \$2.27 per share. This compares with \$10,424,000, or \$1.94 per share in 1975. The company reported an additional \$2,649,000, or 51 cents per share, in 1975 as the result of an accounting change.

Although sales gained momentum early in the year, profit margins came under pressure from excessively low pricing on commodity components, related to the 1975 recession. Earnings were further depressed by the financial impact of a semiconductor production problem which surfaced in late 1975. Both of these situations improved in subsequent quarters.

The overall business climate changed at mid-year from one of vigorous recovery to a general slackening of demand. Despite this economic pause, our earnings rose in the second half, enabling us to report \$2.27 per share for the full year.

We are still feeling the effects of the slowdown in components and consumer products. The components market, sensitive to economic trends, has been flat for some months. The consumer products business currently reflects the seasonal, post-holiday lull in buying activity. We expect 1977 as a whole to be a good year, however, as we believe demand will resume its uptrend in the spring.

The company introduced a broad spectrum of advanced, electronic products last year. These included new logic and memory devices, semiconductor test systems, audio/visual equipment and solid-state television cameras. Our position in the LSI (large scale integration) and microprocessor markets continued to grow stronger and represents by far the highest potential portion of our semiconductor business.

Consumer electronics—a field in which the company was not engaged two years ago—has become a new growth area for Fairchild. In addition to digital watches and clocks, we developed and brought to market the Fairchild Video Entertainment System, a programmable home TV game based on our F8™ microcomputer. The system won approval of the Federal Communications Commission in the fourth quarter and limited shipments took place during the holiday season, with excellent customer response.

The company is in a strong financial position. Working capital at the end of the year was \$114 million and shareholders' equity \$178 million. Cash and short-term securities approximated \$27 million. Inventories during 1976 rose by only 4 percent, despite our 52 percent increase in sales.

Fairchild has moved aggressively to obtain the necessary funds for anticipated future growth. In December, our wholly-owned subsidiary, F.C.I. International Finance N.V., generated additional capital through the sale of \$20 million of 5¾ percent convertible subordinated debentures in the Eurobond market. Last month, Fairchild was listed for trading on the London Stock Exchange.

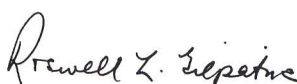
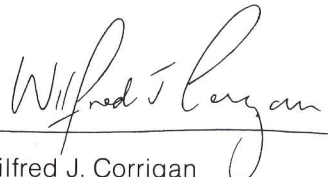
These activities reflect both the strong interest in our company in Europe and the rapid growth of our international business during the past five years. Foreign sales in 1976 exceeded 30 percent of the total.

Despite the lag in the economic growth rate, we have continued to invest significantly in new product development and expanded production facilities around the world. Spending for research, development and engineering in 1976 was approximately \$47 million. Capital expenditures amounted to \$36 million.

The result of these investments is to give Fairchild a technical and manufacturing capability matching the opportunities we see ahead in our various markets. As a company, our strategic thrust will be in those technologies which have the greatest growth potential. Our target is to penetrate new markets – including those for semiconductor-based end products – and to grow profitably on the frontiers of the LSI revolution.

Since 1927, our people have been designing, building and selling products that have made contributions to progress...from the first aerial camera to the Planar transistor and the modern integrated circuit. The skill and commitment of Fairchild employees have made us a strong, expanding company and an industry leader.

As we move into our second half-century, we will continue to build on that tradition.


  
 Roswell L. Gilpatric      Wilfred J. Corrigan  
 Chairman of the Board      President and Chief Executive Officer

BOARD OF DIRECTORS

Wilfred J. Corrigan,  
Louis F. Polk, Jr.,  
Directors

William A. Stenson,  
Director  
Roswell L. Gilpatric,  
Chairman

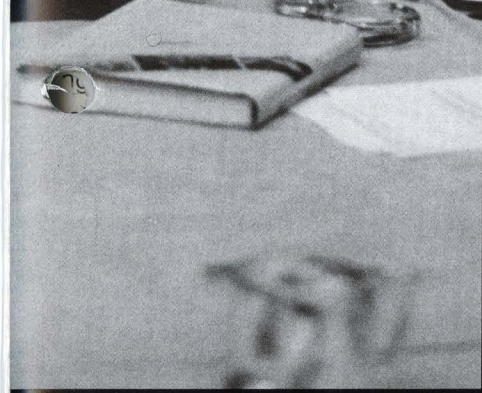
William C. Franklin,  
Albert Bowers,  
Directors

C. Lester Hogan,  
Vice Chairman  
James B. Lampert,  
Director

Not pictured:  
J. Bradford Wharton, Jr.,  
Director

Inset:  
Roswell L. Gilpatric,  
Chairman of the Board;  
Wilfred J. Corrigan,  
President and  
Chief Executive Officer

March 14, 1977



## MANAGEMENT OVERVIEW

Fairchild Camera and Instrument Corporation is organized into six manufacturing/marketing operations in addition to a corporate staff. Collectively the groups produce semiconductor components, systems and end products for the consumer, commercial, industrial and government markets. The company has some 30 manufacturing plants in four states and eight foreign countries.

Semiconductors, a basic product line of the company, are manufactured and marketed by the LSI Group, headed by David J. Marriott, and the Components Group, headed by George D. Wells. Both groups are headquartered in Mountain View, California. John A. Duffy, Jr. is in charge of the International Division, with responsibility for all foreign marketing.

The Instrumentation and Systems Group, based in San Jose, California, manufactures and markets semiconductor test systems, microprocessors and related products, digital panel meters, data acquisition and analysis instruments, and memory systems. James D. Bowen is general manager.

In addition to digital electronic watches, the Consumer Products Group is responsible for digital clocks, video entertainment systems, and a line of optoelectronic products and watch components. Managed by Greg Reyes, this group is presently based in Palo Alto, California, but will be relocating to a new facility in Santa Clara, California, before the end of 1977.

Louis H. Pighi manages the Federal Systems Group based in Syosset, New York. Primary product lines include electronic data systems, radio-frequency monitoring systems, aerial reconnaissance and surveillance systems, and a range of imaging systems based on the CCD (charge-coupled-device) miniature television camera.

The Industrial Products Division is located in Commack, New York, and produces a line of audio-visual equipment for the commercial and industrial markets in addition to a variety of systems and products for aircraft use. Raymond G. Hennessey is division manager.

At corporate level, Warren J. Bowles heads industrial relations, including personnel management and employee training and development programs. Frederick M. Hoar is responsible for internal and external communications, including financial relations, public affairs and advertising.

Fairchild's corporate finance operation is headed by R. Douglas Norby. A. J. Hazle is controller and James A. Unruh is in charge of treasury and corporate planning. Dr. Thomas A. Longo, chief technical officer, has responsibility for overall research and development. Nelson Stone is corporate secretary and general counsel, managing the company's legal and patent affairs.

### CORPORATE VICE PRESIDENTS

Left to right, standing: Nelson Stone, General Counsel and Secretary; Frederick M. Hoar, Communications. Seated: Dr. Thomas A. Longo, Chief Technical Officer.

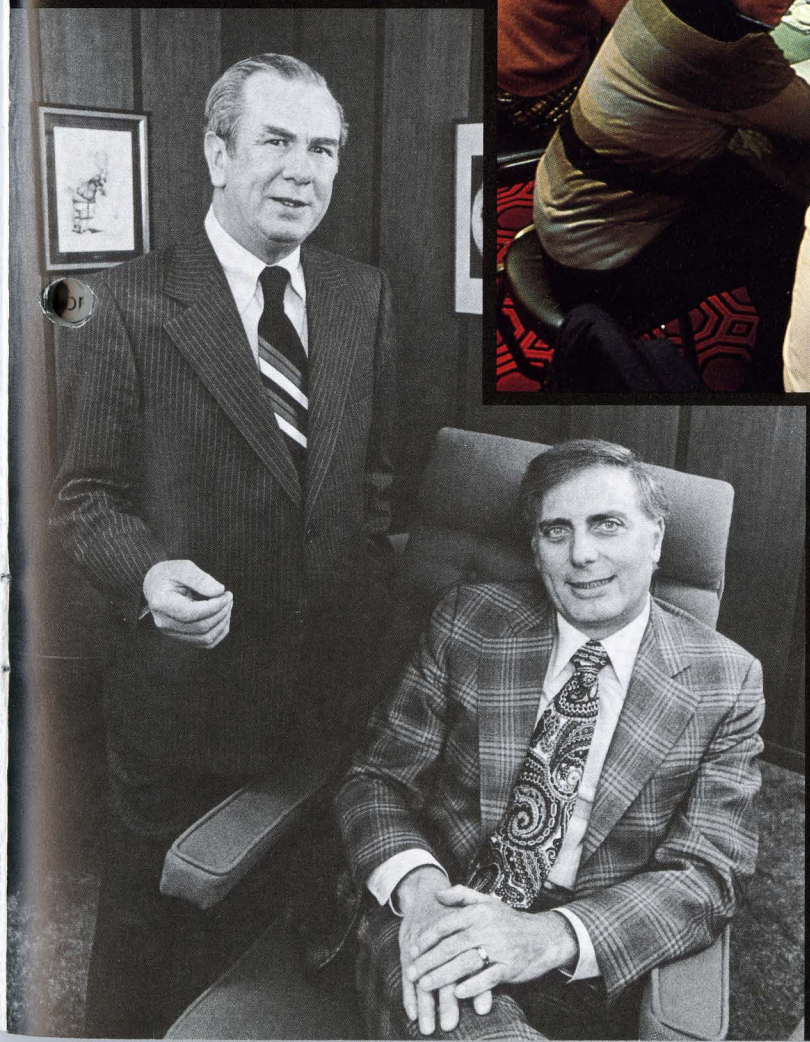
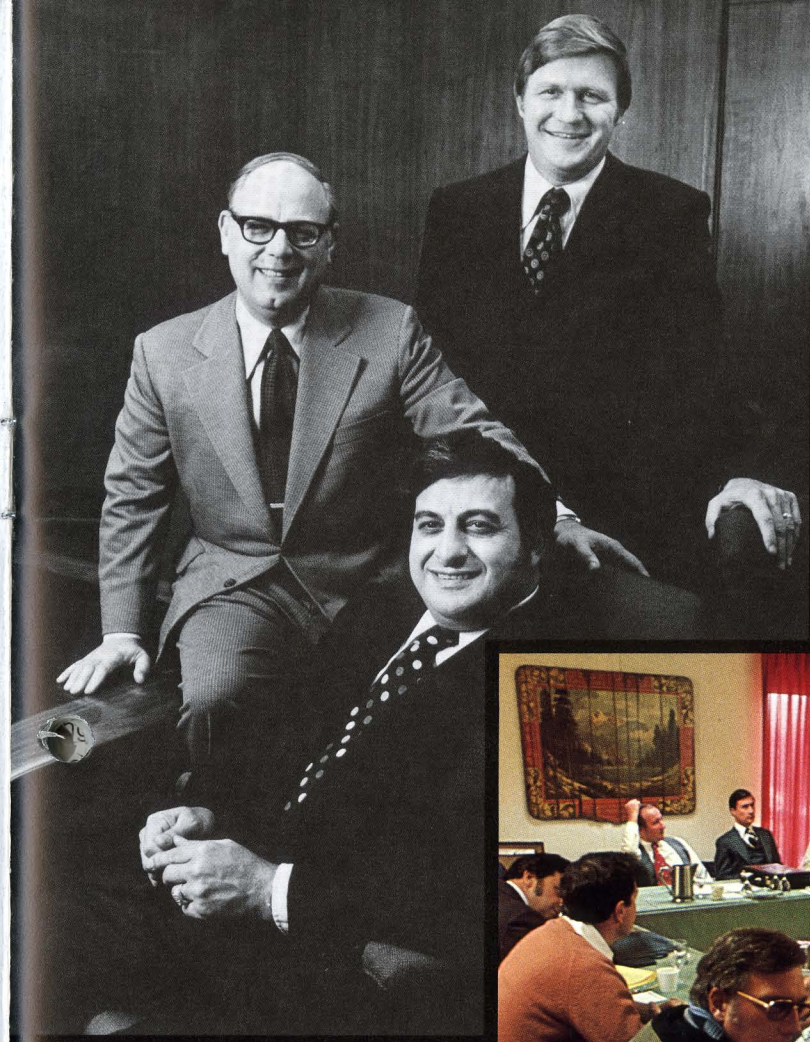
Left to right, standing: George D. Wells, Components Group; John A. Duffy, Jr., International Division; Greg Reyes, Consumer Products Group; David J. Marriott, LSI Group. Seated: James D. Bowen, Instrumentation and Systems Group.

Left to right: Raymond G. Hennessey, Industrial Products Division; Louis H. Pighi, Federal Systems Group.

Left to right: A. J. Hazle, Controller; R. Douglas Norby, Finance; James A. Unruh, Treasury and Corporate Planning.

Not pictured: Warren J. Bowles, Industrial Relations

Inset: Fairchild president and corporate vice presidents hold regular, off-site planning and strategy meeting.





## LSI GROUP

Formation of the Large-Scale Integration Group in 1976 spotlights the growing importance of LSI products to our total business. LSI is the term applied to integrated circuits of high complexity and density, frequently in the thousands of components per silicon chip. Our new 265,000-square-foot wafer fabrication plant in San Jose, California, is one of the industry's largest and most modern production facilities dedicated to LSI.

**Bipolar Memory and ECL Products** This division maintained its dominance of the bipolar memory and high-performance ECL (emitter-coupled logic) markets. New, programmable read-only memories (PROMs) were added to the product line, finding widespread use in microprocessor systems.

The introduction of products combining our proprietary Iso-planar process with injection logic technology (I<sup>3</sup>L), made possible the first 4,096-bit bipolar dynamic random access memory (RAM). The 4K dynamic RAM offers the speed of bipolar circuitry at costs comparable with high performance MOS memories, and is the forerunner of a 16,384-bit bipolar memory, scheduled for later this year. A 4K bipolar static RAM utilizing conventional circuit technology also is scheduled for 1977.

Development of a 16-bit bipolar microprocessor, utilizing I<sup>3</sup>L technology, was also announced. This product will find many high-end applications during the next five years. Fairchild's sub-nanosecond (trillionths-of-a-second) ECL logic family found significant use in the mainframe computer industry, and total ECL sales quadrupled during the year.

**MOS/CCD Products** Shipments of components for the Fairchild F8™ microprocessor increased during the year. The F8 is aimed at volume applications in the consumer and industrial areas, including TV tuning, video recorders and games, appliance controllers and "smart" terminals. This division also filled volume orders for MOS (metal-oxide semiconductor) memory devices, including the 4K N-channel RAM produced in our Wappinger Falls, N.Y., plant, and introduced a 16K N-channel RAM in the first quarter of 1977.

In CCD (charge-coupled device) technology, additional imaging arrays were introduced and an improved CCD analog delay line, available in component form or module assembly, designed for European television systems.

Fairchild increased its share of the CCD memory market with its 9,000-element serial memory and its 16,000-bit line-addressable RAM. These products are forerunners to the 65,000-bit CCD memory scheduled for pilot production later this year. Primary applications for the 65K part will be in bulk serial back-up memories for computers.

*TM Trademark of Fairchild Camera and Instrument Corporation*

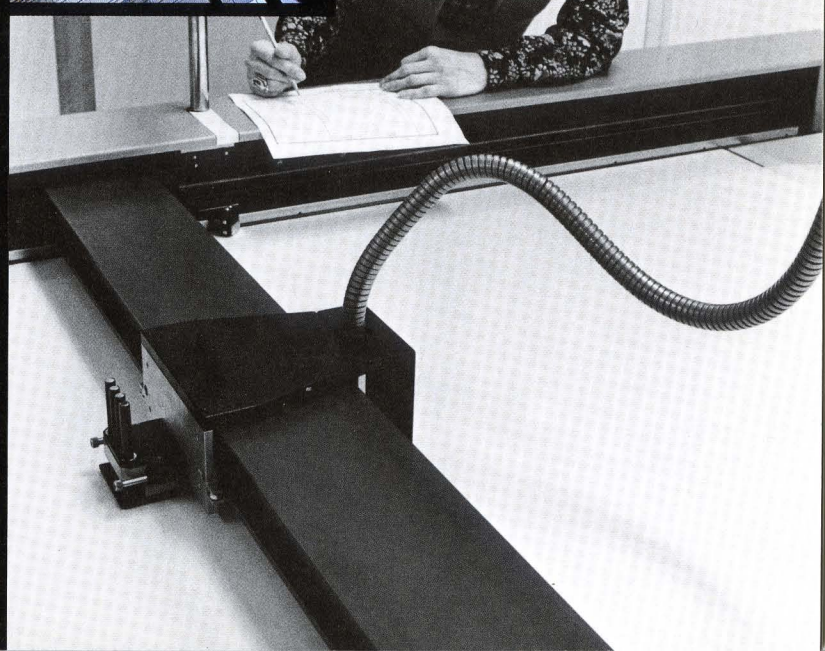
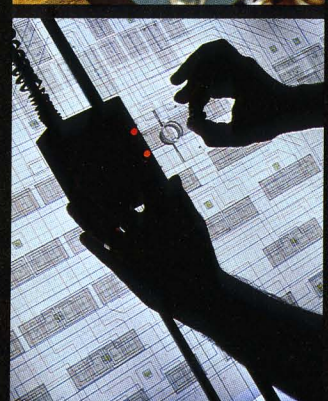
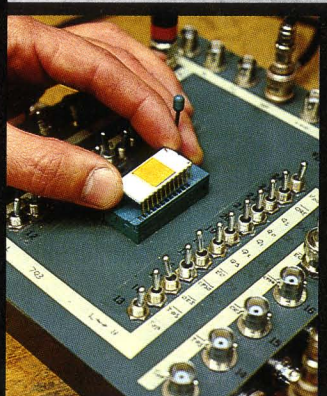
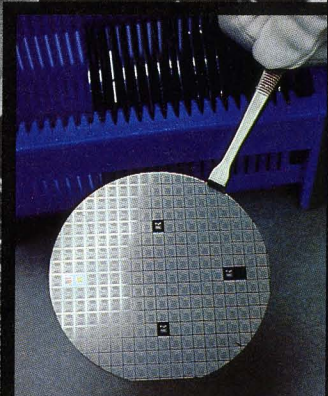
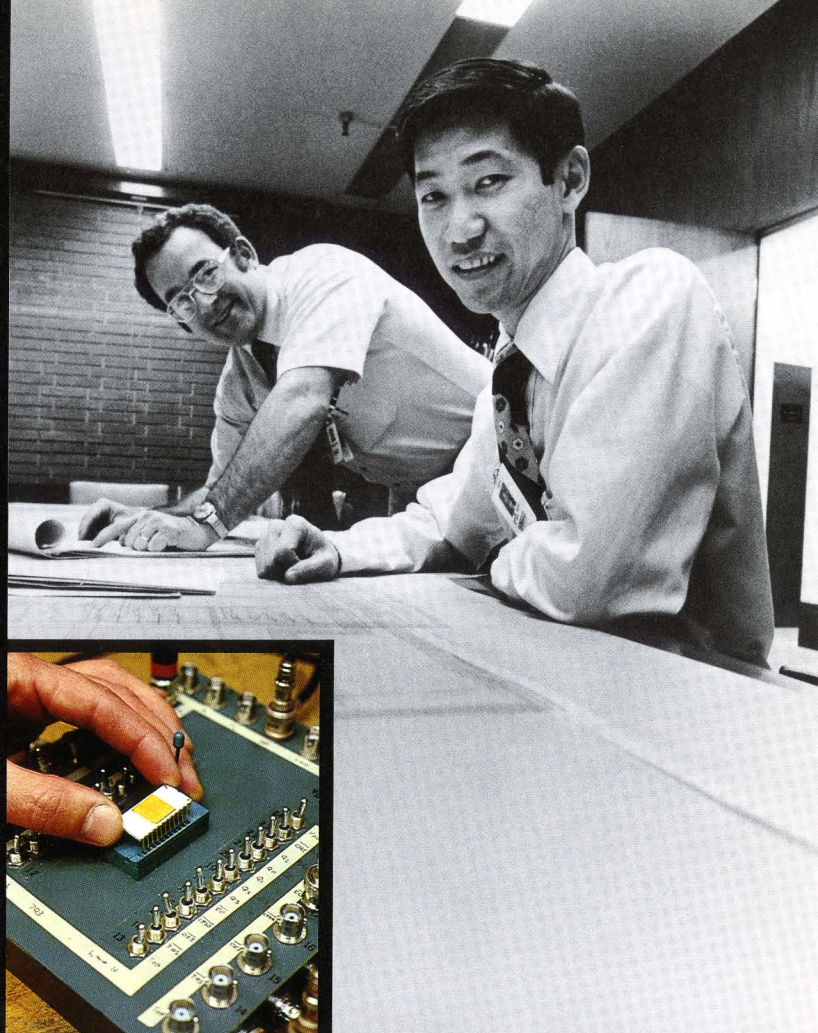
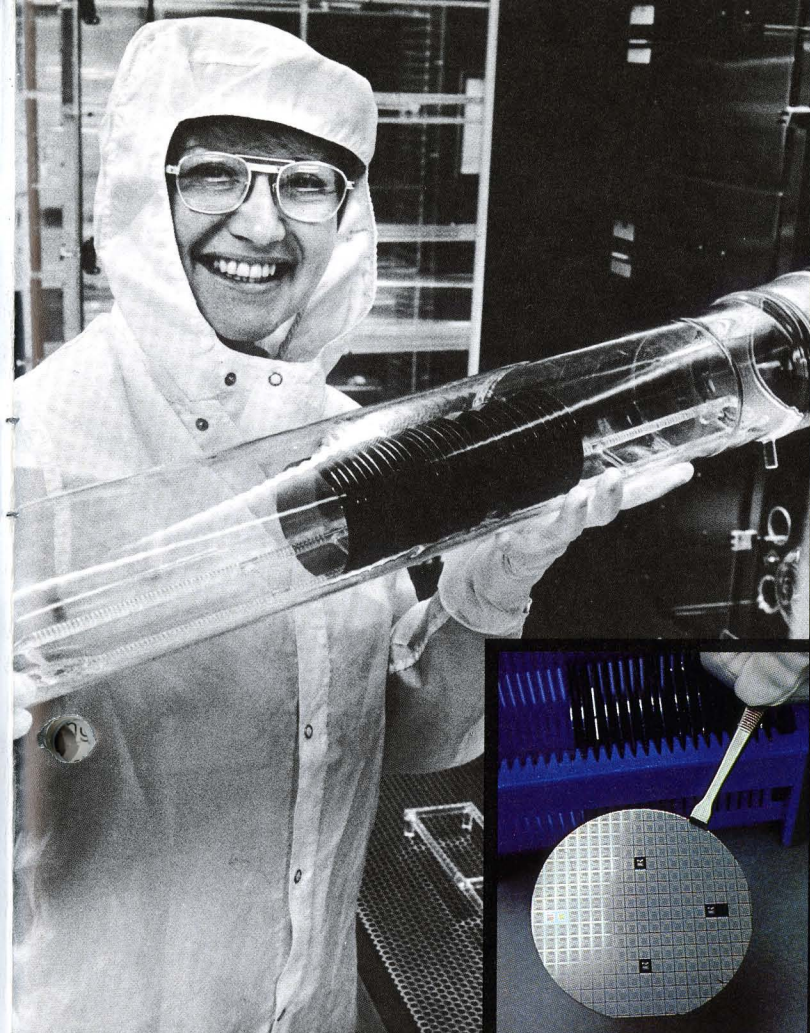
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Diffusion operator Ena Aulicino handles MOS circuit wafers at Wappingers Falls plant. Inset: Typical LSI wafer.

Bipolar circuit designers Larry DeClue and Daniel Wang study advanced microprocessor engineering drawing. Inset: Prototype circuit under test.

Operator Dorothy Dudley checks silicon crystal growth in Healdsburg plant. Inset: Completed silicon ingots.

MOS circuit designer Solange Keefe uses computer-driven drawing machine. Inset: Digitizer converts artwork to computer tape information.



## INSTRUMENTATION AND SYSTEMS GROUP

The company's position and scope in the instrumentation field gained steadily throughout 1976. The group now encompasses a diversified product line, including distributed test systems, microprocessors, memory systems, digital panel meters and data acquisition systems. This portion of our business will continue to grow in strategic importance to the company.

**Systems Technology** The Sentry™ IV and Sentry™ VII computer-controlled semiconductor test systems and the Integrator™ data communications systems were the key introductions of the group's largest division. The Sentry systems provide fast, flexible testing capabilities for LSI devices. Sentry VII is designed to interface directly with the Integrator in a test network that integrates raw data from on-line testers to provide status reports at various stages of semiconductor processing.

The Xincom III, introduced in May, is the first commercial tester to make use of distributed system architecture—a concept that permits numerous remote test heads to communicate with a central host computer. The Xincom III is designed primarily for memory testing.

**Microsystems** This division was formed in 1975 to handle company efforts in the area of microprocessor systems and microcomputers. The two-chip F8™ microprocessor has been the catalyst of this division's growth, gaining a dominant position in the low-cost, high-volume segment of the controller field. Early in 1977 the division announced a one-chip F8 that is expected to further penetrate this market.

During the first quarter of 1977, production began in a 50,000-square-foot addition to the Instrumentation and Systems plant in San Jose, California, housing a fully-automated printed circuit assembly line for microprocessor systems. As part of a technology exchange agreement with Motorola, Inc., Fairchild announced in October that it will also manufacture the Motorola 6800, a leading microprocessor for the data processing industry.

**Instruments** In December, Fairchild acquired Data Works Instrumentation of Chatsworth, California, a manufacturer of microprocessor-based data acquisition and analysis instruments used primarily in the solar, environmental and process industries. Data Works became part of the Instrumentation Unit, formed in 1975 to produce and sell digital panel meters to electronic instrument manufacturers.

**Memory Systems** Several large, high-speed bipolar memory systems were shipped during the first quarter of 1977, and design activity is being carried out on other products ranging from complete systems to board-level subsystems. This effort utilizes all of Fairchild's advanced LSI technology, including 4K and 16K MOS and bipolar memories, CCD memories, and Iso-planar integrated injection logic devices.

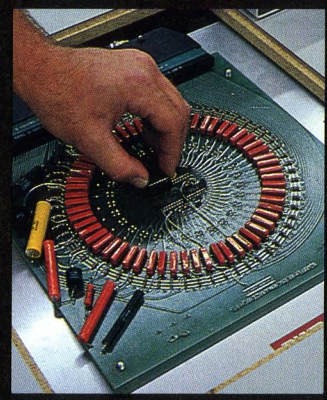
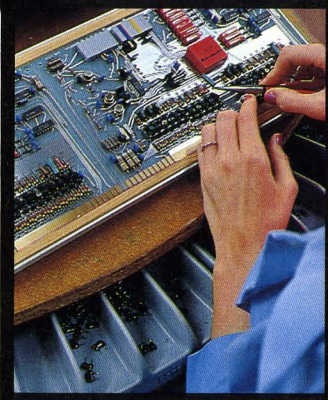
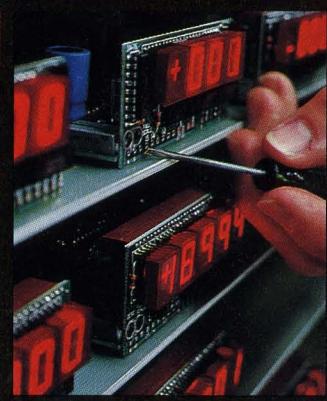
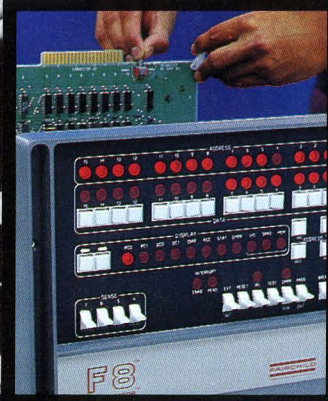
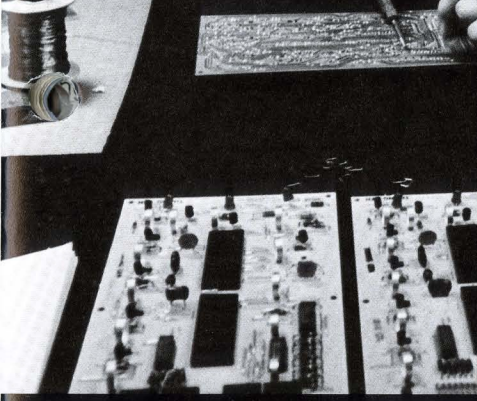
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Emma McConaghy assembles microprocessor components for a microwave oven controller. Inset: Formulator™ microprocessor development system.

Digital panel meter is assembled by Sandra Mendenhall in San Jose plant. Inset: Completed panel meters being tested.

Lydia Coronel assembles printed circuit boards for Sentry test system. Inset: Completed circuit board.

Applications engineer John Hopp checks Sentry VII test system during assembly. Inset: Close-up view of integrated circuit test head.



## CONSUMER PRODUCTS GROUP

Fairchild's successful entry into the digital watch market in 1975 proved to be a base from which the company was able to launch new consumer electronic products last year. In addition to expanding its watch and clock lines the group announced the first computer-based home television game, which drew nationwide attention. Ground was broken late in the year for a new 150,000-square-foot headquarters building.

**Time Products** During 1976, Fairchild offered the broadest range of digital watches available in the market, both domestic and international. The Timeband™ line of men's and ladies LED (light emitting diode) watches — priced from \$19.95 to \$54.95 — contributed to digital watch demand early in the year, through mass merchandising outlets. The Fairchild™ series, now retailing from \$50 to \$195, provided the company with additional timepieces in the more expensive jewelry category. Fairchild also marketed a full line of LED solid-state digital clocks, ranging from table models to a clock /high-intensity lamp.

At mid-year, the company introduced a family of LCD (liquid crystal display) watches, with shipments starting in September. By the end of 1977 it is expected that the LCD, or continuous display, technology may account for as much as half of our watch sales. Throughout the year, the Time Products Service Center steadily improved its performance and turnaround time, and the company embarked on a training program to aid dealers in handling simple service requirements.

**Exetron** This division continued to be a major producer of CMOS circuits and modules for both LED and LCD watches, and started the industry's first four-inch wafer fabrication facility. Exetron also manufactures the Fairchild Video Entertainment System, a programmable TV game with color and sound. The system incorporates Fairchild's F8 microprocessor and MOS RAMs, and can accept an expanding library of unique Videocart™ plug-in memory cartridges. Games ranging from Hockey to Blackjack to Math Quiz are now on the market, and the company will add new program cartridges during the year.

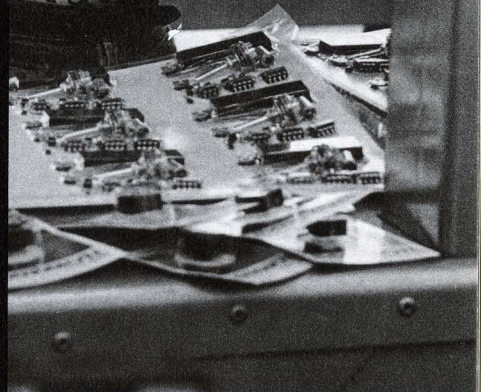
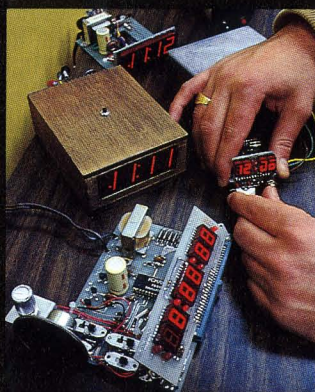
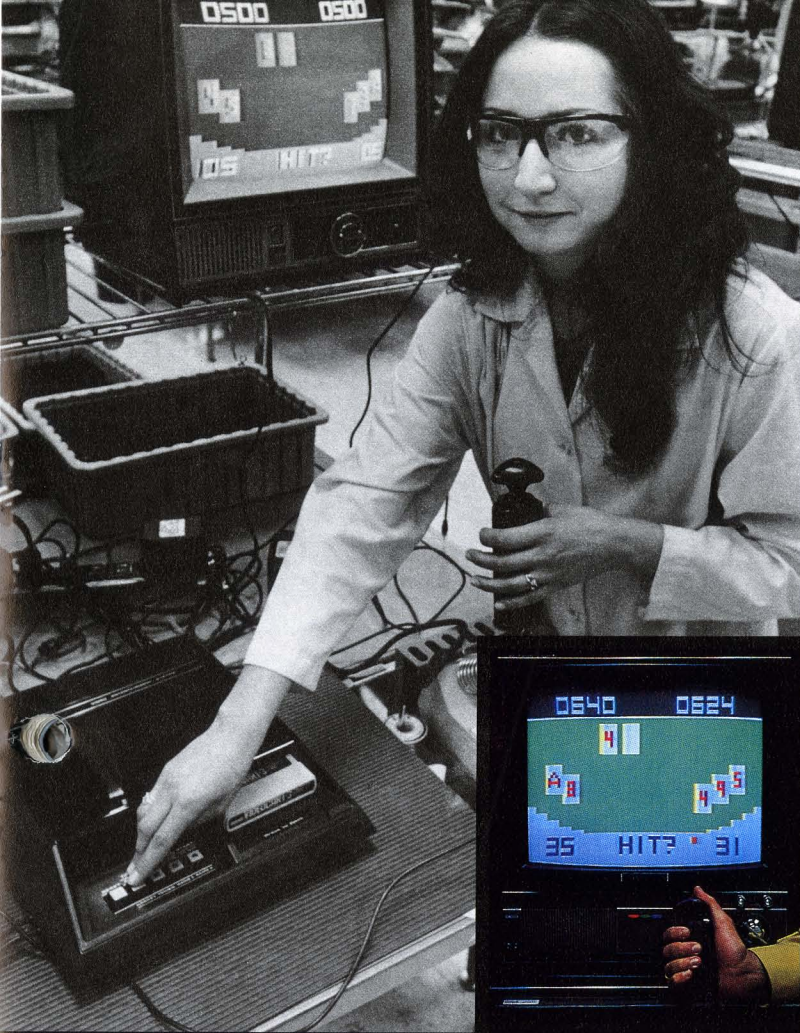
**Optoelectronics** Demand for optoelectronics products grew in 1976, despite a slowing of orders for watch displays. Applications for light-emitting diodes expanded into such areas as appliances, TV channel indicators, hi-fi equipment and taxi meters. Fairchild was the only supplier of displays to the two major citizens band radio manufacturers, and the company was selected to produce clock/radio frequency displays for Ford's 1978 car models. The division produced 132 new optical coupler products and announced the stackable digit concept — digits mounted on a printed circuit board. The first Fairchild Solid-State Technology Kits™ for educators and hobbyists were marketed toward the end of 1976.

Angelina Trujillo tests Fairchild Video Entertainment System at Exetron Division. Inset: Blackjack is one of the more popular video games.

Becky Stanton of the Optoelectronics Division prepares machine for packaging of Fairchild Technology Kits. Inset: Various clocks assembled from Technology Kits.

Digital clocks are packaged by Laura Perkinson prior to shipment. Inset: Two new digital clocks announced early in 1977 are the Fairchild Model C-8211 (foreground) and Timeband Model C-6110.

In the watch casing operation in Palo Alto, Linda Carter inspects assembled timepieces. Inset: Model FC 1155 LCD digital watches are new in the Fairchild™ line.



Fairchild Camera and Instrument Corporation and Subsidiaries  
**FIVE YEAR SUMMARY OF OPERATIONS AND FINANCIAL REVIEW**

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	1976	1975	1974	1973*	1972*
<i>Progress in Operations (in thousands, except per share data)</i>					
Net sales	\$443,221	\$291,542	\$384,933	\$351,171	\$223,896
Royalties and other income	7,157	8,188	10,619	10,397	6,329
	450,378	299,730	395,552	361,568	230,225
Cost of sales	327,381	208,712	264,194	245,450	165,794
Administrative and selling expenses	94,427	69,732	75,882	61,975	47,888
Interest expense	5,504	4,154	3,868	4,176	4,252
	427,312	282,598	343,944	311,601	217,934
Income before income taxes, extraordinary credit and cumulative effect of change in accounting method	23,066	17,132	51,608	49,967	12,291
Provision for income taxes	10,610	6,708	24,576	23,649	4,956
Income before extraordinary credit and cumulative effect of change in accounting method	12,456	10,424	27,032	26,318	7,335
Extraordinary credit (2)	—	—	—	14,506	3,176
Cumulative effect on prior years (to December 29, 1974) of change in accounting method (1)	—	2,649	—	—	—
Net income	\$ 12,456	\$ 13,073	\$ 27,032	\$ 40,824	\$ 10,511
Per share of common stock:					
Income before extraordinary credit and change in accounting method	\$ 2.27	\$ 1.94	\$ 5.17	\$ 5.04	\$ 1.51
Extraordinary credit (2)	—	—	—	2.77	.65
Cumulative effect of change in accounting method (1)	—	.51	—	—	—
Net income	\$ 2.27	\$ 2.45	\$ 5.17	\$ 7.81	\$ 2.16
Per share of common stock assuming full dilution:					
Income before extraordinary credit and change in accounting method	\$ 2.27	\$ 1.94	\$ 5.00	\$ 4.86	—
Extraordinary credit (2)	—	—	—	2.59	—
Cumulative effect of change in accounting method (1)	—	.47	—	—	—
Net income	\$ 2.27	\$ 2.41	\$ 5.00	\$ 7.45	—
Shares of common stock used to compute primary income per share	5,476,865	5,372,901	5,228,523	5,224,826	4,877,184
Cash dividends per share	\$ .80	\$ .80	\$ .75	\$ .30	—

\*Restated—see Note 3 of the Notes to Consolidated Financial Statements.

(1) In 1974 and 1975, the Company adopted improvements in its inventory costing method. The effect of these changes in inventory costing was not material to income before extraordinary credit and cumulative effect of accounting change for any period presented.

(2) Represents income tax reductions resulting from carryforward of prior years' operating losses.

NOTE—See "Management's Discussion and Analysis of the Summary of Operations," on pages 20 to 22.

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

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	1976	1975	1974	1973	1972
<i>Selected Operating Data (in thousands)</i>					
Net sales by line of business:					
Electronic components and systems	\$400,765	\$256,378	\$344,790	\$301,091	\$178,890
Other products—principally government	42,456	35,164	40,143	50,080	45,006
Income before income taxes, extraordinary credit and change in accounting method by lines of business:					
Electronic components and systems	17,306	13,041	46,909	45,406*	10,738*
Other products—principally government	5,760	4,091	4,699	4,561*	1,553*
Net sales of solid state devices	298,187	226,036	321,548	281,370	161,714
International sales	138,466	82,732	113,574	87,730	42,919
Royalty income	6,373	4,766	7,312	7,467	6,037
Research, development and engineering (1)	46,939	37,550	40,288	38,251	29,287
Depreciation and amortization	16,663	15,890	14,092	12,039	10,368
Capital expenditures	36,076	20,693	41,342	34,558	11,218
<i>Financial Position at Year End (in thousands)</i>					
Cash and temporary cash investments	\$ 26,898	\$ 25,194	\$ 33,392	\$ 34,272	\$ 25,535
Short-term borrowings	13,618	9,455	6,819	7,265	9,525
Working capital	113,865	100,506*	93,892*	90,809*	68,692*
Property, plant and equipment, net	130,404	112,256	108,847	88,040	66,044
Long-term debt, including current portion	68,088	46,825	49,592	51,674	57,199
Shareholders' equity	177,609	166,329*	153,875*	128,692*	81,511*
<i>Statistics and Key Ratios</i>					
Shares issued at year end	5,359,552	5,278,563	5,161,592	5,106,187	4,979,476
Number of shareholders at year end	10,429	11,179	12,325	10,464	11,836
Shareholders' equity per common share at year end	\$ 33.14	\$ 31.51*	\$ 29.81*	\$ 25.20*	\$ 16.37*
Employees at year end	21,293	17,405	18,092	25,525	18,866
Net sales per employee (based on average number of employees)	\$ 22,100	\$ 17,660	\$ 17,650	\$ 15,800	\$ 13,200
Backlog of orders at year end (000's)	\$147,000	\$128,000	\$161,000	\$265,000	\$129,000
Income before extraordinary credit and change in accounting method as a percent of:					
Net sales	2.8%	3.6%	7.0%	7.5%*	3.3%*
Shareholders' equity at year end	7.0%	6.3%*	17.6%*	20.5%*	9.0%*
Current ratio at year end	2.1	2.2*	2.0*	2.1*	2.2*
Long-term debt to total capitalization at year end (2)	28%	22%*	24%*	29%*	41%*

\*Restated—see Note 3 of the Notes to Consolidated Financial Statements.

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

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



## 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	President, Syntex Corporation; Vice Chairman of the Board, Syntex Corporation (pharmaceuticals and chemicals)
William C. Franklin	Consultant
Lt. General 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 and game products)
William A. Stenson	President, Alliance Capital Management Corporation
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

### Corporate Staff

Warren J. Bowles	Vice President—Industrial Relations
A. J. 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

### Operations

James D. Bowen	Vice President and General Manager—Instrumentation and Systems Group
John A. Duffy, Jr.	Vice President and General Manager—International Division
Raymond G. Hennessey	Vice President and General Manager—Industrial Products Division
David J. Marriott	Vice President and General Manager—Large-Scale Integration Group
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

Joseph H. Akerman, Jr.	Assistant Treasurer
Richard Franklin	Assistant Secretary
John J. Giblin	Assistant Controller
Philip Haas	Assistant Treasurer
Stanley Winston	Assistant Secretary (Attesting)

### Independent Accountants

Price Waterhouse & Co.

### Transfer Agent

The Bank of New York

### Registrar

Citibank, N.A.

Roswell L. Gilpatric has announced that he will retire as Chairman of the Board after the Shareholder's Meeting to be held on May 6, 1977. Mr. Gilpatric is a nominee for re-election as director and will continue as a director of the corporation. The nominees for election to the Board of Directors listed in the Proxy Statement for such Annual Meeting have announced their intention to elect Wilfred J. Corrigan as Chairman of the Board of the Corporation after the meeting.

**FAIRCHILD**

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