SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(x) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1994

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from   to

Commission File No. 0-1093

KAMAN CORPORATION
(Exact Name of Registrant)

Connecticut	06-0613548
(State of Incorporation)	(I.R.S. Employer Identification No.)

Blue Hills Avenue, Bloomfield, Connecticut 06002
(Address of principal executive offices)

Registrant's telephone number, including area code-(203) 243-7100
Securities registered pursuant to Section 12(b) of the Act: None
Securities registered pursuant to Section 12(g) of the Act:
- -Class A Common Stock, Par Value $1.00
- -6% Convertible Subordinated Debentures Due 2012
- -Series 2 Preferred Stock, Par Value $1.00
- -Depositary Shares, each representing one quarter of a share of Series 2 Preferred Stock

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes (X) No ( )

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X].

State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within 60 days prior to the date of filing. $1,730,406 as of February 1, 1995.

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of February 1, 1995.

Class A Common	17,535,987 shares
Class B Common	667,814 shares

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Corporation's 1994 Annual Report to Shareholders are incorporated by reference and filed as Exhibit 13 to this Report. No other documents except those previously filed with the Commission are incorporated herein by reference.

PART I

ITEM 1. BUSINESS

Kaman Corporation, incorporated in 1945, and its subsidiaries (collectively, the "Corporation") serve government, industrial and commercial markets through two industry segments: Diversified Technologies and Distribution. The Diversified Technologies group provides design and manufacture of advanced technology products and systems, advanced technology services and aircraft manufacturing. The Distribution segment distributes industrial products, distributes and manufactures music products and provides support services to its customers and provides aviation services.

DIVERSIFIED TECHNOLOGIES

The Diversified Technologies segment consists of several wholly-owned subsidiaries, including Kaman Diversified Technologies Corporation, Kaman Aerospace Corporation, Kaman Sciences Corporation, Kamatics Corporation, Kaman Electromagnetics Corporation, and Kaman Instrumentation Corporation, as well as a 50% interest in Advanced Energetic Materials Corporation of America. A former Diversified Technologies subsidiary, Raymond Engineering Inc., was merged into Kaman Aerospace Corporation on January 31, 1995.

The Diversified Technologies segment develops and manufactures various advanced technology products and systems which are used in markets that the Corporation serves. Among the products manufactured are self lubricating bearings used on aircraft and in other systems, flexible couplings for helicopters, precision measuring instruments, composite flyer bows, RF transmission and delay lines, telecommunication products, photonic and optical systems, ruggedized tape and disk memory systems used primarily in aircraft, and safing and fuzing systems for use in missiles. The Corporation also develops and produces various motors, generators, alternators, launchers and electric drive systems using electromagnetic technology. In addition, the Corporation has contracts with the U.S. government for a number of advanced technology programs relating to some of the systems described above and to other proprietary systems developed by the Corporation. The Corporation's merger of its Raymond Engineering Inc. subsidiary into Kaman Aerospace Corporation was undertaken in order to downsize Raymond Engineering's operations and to focus on advanced technology product areas which, in the opinion of the Corporation, demonstrate the most potential for future success.

As a second category of its business, the Diversified Technologies segment also provides advanced technology services to a number of customers, including all branches of the armed forces, various Government agencies, the Department of Energy, Department of Transportation, various defense contractors, utilities and industrial organizations. The services offered include software engineering and maintenance, operation of Government information analysis centers, field and laboratory testing services, communication system design and analysis, specialized sensor design, electromagnetic interference and compatibility evaluations, analysis and simulation of electronic signals, various types of artificial intelligence systems and weapon system evaluation.

A third category of this segment's business is aircraft manufacturing, including the development and manufacture of helicopters and the integration of systems related to helicopters. The Corporation is the prime contractor for the SH-2 series helicopter, a multi-mission aircraft presently serving the U.S. Navy with two squadrons of the SH-2G configuration of such helicopter in the Navy's Reserve fleet. Reductions in defense spending resulted in the phasing out of the SH-2 series helicopter from the Navy's Active (non-Reserve) fleet in 1994 and the Corporation's contract with the Navy for retrofitting certain model SH-2F helicopters to the SH-2G configuration was completed in 1994. The Corporation is exploring long term foreign military sales potential for retrofitting SH-2G helicopters, as maritime helicopters operating off FF-1052 class frigates being leased to foreign governments by the U.S. Navy. In 1994 the Arab Republic of Egypt signed a letter of agreement for the foreign military sale of ten retrofitted SH-2G helicopters having dipping sonar capability. The Corporation is in the process of negotiating its contract with the U.S. Navy to perform such retrofit work for such helicopters which is expected to have a value of $100 million over a three year period. The Corporation also produces a new commercial helicopter, known as the K-MAX (registered trademark) "aerial truck" incorporating intermeshing rotor technology developed by the Corporation. The K-MAX is a medium lift helicopter designed to provide superior operational capabilities. The Corporation has devoted a substantial portion of its research and development activities to this product during the past several years and continues to do so. In 1994 the Corporation received Federal Aviation Administration (FAA) type certification and a total of five (5) K-MAX helicopters were delivered to customers under a special lease program in order to maintain active involvement in the product's introduction to the marketplace.

Kaman manufactures subcontract aircraft products for government and commercial customers on programs such as the McDonnell Douglas C-17 and the Boeing 767 and 777, and is involved in various programs requiring development of new technologies such as composite structural components for the F-22 and V-22 aircraft. It also manufactures composite rotor blades for helicopters, and airborne laser-based electro-optical imaging and detection systems for military and commercial operations. Such electro-optical systems include imaging LIDAR systems and the Corporation's proprietary Magic Lantern (registered trademark) system which allows underwater objects to be detected from an airborne platform.

DISTRIBUTION

The Distribution segment consists of several wholly-owned subsidiaries including the following: Kaman Industrial Technologies Corporation, Kaman Music Corporation, and AirKaman of Jacksonville, Inc. This segment distributes industrial products, manufactures and distributes music products, and provides aviation services.

Kaman Industrial Technologies Corporation is a national distributor of industrial products operating through more than 150 service centers located in 29 states and British Columbia, Canada. The Corporation supplies a broad range of industries with original equipment, repair and replacement products needed to maintain traditional manufacturing processes and, increasingly, with products of higher technological content that are required to support automated production processes. The Corporation serves nearly every sector of heavy and light industry, including automobile manufacturing, agriculture, food processing, pulp and paper manufacturing, mining, chemicals, electronics and general manufacturing. Products available include various types of standard and precision mounted and unmounted bearings; mechanical power transmission equipment such as V-belts, couplings, and gear reducers; electrical power transmission products, motors, AC/DC controls, sensors and motion control devices; materials handling equipment, belts, conveyor idlers and pulleys; hydraulic drive systems and parts; and accessory products such as lubricants and seals. Although the vast majority of the company's business consists of resale of products, operations include some design, fabrication, and assembly work in connection with products sold.

The Corporation continues to develop certain support service capabilities in order to meet the maintenance needs of its customers' manufacturing operations. These services include electrical panel and systems fabrication centers capabilities and similar capabilities for hydraulic and pneumatic control panels, linear positioning systems, and material handling systems. In 1994 the Corporation, on a limited basis, continued to act as a supplier of capital equipment to various systems engineering and manufacturing customers by acting as a sales agent for certain equipment manufacturers. As the Corporation has entered new market areas, it has invested in new product inventory and in some instances it has established inventory on consignment in customer locations. The Corporation maintains a management information system, consisting of an on-line computer network linking all of its mainland U.S. and Canadian industrial distribution facilities, which enhances its ability to provide more efficient nationwide service and to improve inventory management. In addition, the Corporation has undertaken initiatives to address the needs of certain national account customers that desire to reduce their vendor base by entering into "partnering" relationships to broaden geographical coverage.

Kaman Music Corporation distributes more than 13,000 different music instruments and accessories to independent retailers in the United States, Canada, and Great Britain and to international distributors throughout the world. Products include acoustic, acoustic-electric and electric guitars and basses, music strings for all fretted instruments, drums, percussion products and related accessories, instrument and P.A. amplification systems, electronic tuners and metronomes, educational percussion and brass instruments and a full range of accessories for all musical instruments. The Corporation manufactures and distributes certain guitars under the Corporation's various brand names including Ovation and Hamer guitars, fretted musical instrument strings of various brands, and the Trace Elliot range of stringed instrument amplification equipment. In 1994 the Corporation acquired B & J Music Ltd., a Canadian distributor of musical instruments. Operations of Kaman Music Corporation are conducted through three (3) manufacturing facilities and seven (7) distribution centers in the United States and Canada, an international sales division based in the United States and a manufacturing and distribution facility in Great Britain.

The segment also distributes aviation fuel and provides aviation services at Jacksonville International Airport, Jacksonville, Florida where the Corporation conducts fixed base operations for general and commercial aviation under a contract with the Port Authority of the City of Jacksonville which extends through the year 2008.

FINANCIAL INFORMATION

Information concerning each segment's performance for the last three fiscal years appears in the Corporation's 1994 Annual Report to Shareholders and is included in Exhibit 13 to this Form 10-K, and is incorporated by reference.

PRINCIPAL PRODUCTS AND SERVICES

Following is information for the three preceding fiscal years concerning the percentage contribution of the Corporation's classes of products and services to the Corporation's consolidated net sales:

	Years Ended December 31 1992	1993	1994
Diversified Technologies:			
Advanced Technology Products and Systems	12.6%	13.5%	12.1%
Advanced Technology Services	13.6	14.1	13.5
Aircraft Manufacturing	19.7	15.5	12.3
Segment Total	45.9	43.1	37.9
Distribution:			
Industrial Products	41.9	42.9	46.7
Music Products and Other Services	12.2	14.0	15.4
Segment Total	54.1	56.9	62.1
Total	100.0%	100.0%	100.0%

RESEARCH AND DEVELOPMENT EXPENDITURES

Government sponsored research expenditures by the Diversified Technologies segment were $123.7 million in 1994, $142.3 million in 1993, and $124.5 million in 1992. Independent research and development expenditures were $21.1 million in 1994, $18.4 million in 1993, and $17.8 million in 1992.

BACKLOG

Program backlog of the Diversified Technologies segment was approximately $228.9 million at December 31, 1994, $240.8 million at December 31, 1993, and $361.4 million at December 31, 1992. The Corporation anticipates that approximately 88.9% of its backlog at the end of 1994 will be performed in 1995. Approximately 69.1% of the backlog at the end of 1994 is related to government contracts or subcontracts which are included in backlog to the extent that funding has been appropriated by Congress and allocated to the particular contract by the relevant procurement agency. Certain of these government contracts, less than 1% of the backlog, have been funded but not signed.

GOVERNMENT CONTRACTS

During 1994, approximately 50% of the work performed by the Corporation directly or indirectly for the United States government was performed on a fixed-price basis and the balance was performed on a cost-reimbursement basis. Under a fixed-price contract, the price paid to the contractor is negotiated at the outset of the contract and is not generally subject to adjustment to reflect the actual costs incurred by the contractor in the performance of the contract. Cost reimbursement contracts provide for the reimbursement of allowable costs and an additional negotiated fee.

The Corporation's United States government contracts and subcontracts contain the usual required provisions permitting termination at any time for the convenience of the government with payment for work completed and associated profit at the time of termination.

COMPETITION

The Diversified Technologies segment operates in a highly competitive environment with many other organizations which are substantially larger and have greater financial and other resources. For sales of advanced technology products and systems, the Corporation competes with a wide range of manufacturers primarily on the basis of price and the quality, endurance, reliability and special performance characteristics of those products. Operations also depend in part on the ability to develop new technologies which have effective commercial and

military applications. Examples of proprietary or patented products developed by the Corporation include the Magic Lantern (Registered Trademark) system for detecting underwater objects from a helicopter, the Kamatics line of specialty bearings and the Corporation's line of electromagnetic motors and drives, among others. In providing scientific services and systems development, the Corporation competes primarily on the basis of the technical capabilities and experience of its personnel in specific fields. When bidding for aerospace contracts and subcontracts, the Corporation competes on the basis of price and quality of its products and services as well as the availability of its facilities, equipment and personnel to perform the contract. Defense market conditions have been significantly affected by an ongoing slowdown in defense spending; continued decreases in federal government expenditures are anticipated in future periods as well. During 1994 the Department of Defense actively pursued its implementation of defense acquisition reform by emphasizing the use of commercially developed state-of-the-art technology products and performance-based procurement standards rather than traditional military specification standards. The change in defense program emphasis and greater constraints in the federal budget have increased the level of competition for defense programs. The Corporation's contract to retrofit certain of its SH-2 series helicopters to the SH-2G configuration for the U.S. Navy was completed in 1994 and, as the U.S. Navy reduces the size of its fleet, the Corporation expects a corresponding reduction in the level of logistics and spare parts required. In providing spare parts, the Corporation competes with other helicopter manufacturers on the basis of price, performance and product capabilities and also on the basis of its experience as a manufacturer of helicopters. The Corporation's FAA certificated K-MAX helicopters will compete with other helicopters suitable for lifting, with surplus U.S. military helicopters, and with alternative methods of meeting lifting requirements.

Distribution operations are subject to a high degree of competition from several other national distributors and many regional and local firms both in the U.S. and elsewhere in the world. Certain musical instrument products of the Corporation are subject to competition from U.S. and foreign manufacturers also. The Corporation competes in these markets on the basis of service, price, performance, and inventory variety and availability.

The Corporation also competes on the basis of quality and market recognition of its music products and has established certain trademarks and trade names under which certain of its music products are produced both in the United States and under private label manufacturing in foreign countries.

EMPLOYEES

As of December 31, 1994, the Corporation employed 5,239 individuals throughout its industry segments as follows:

Diversified Technologies	2,939
Distribution	2,241
Corporate Headquarters	59

PATENTS AND TRADEMARKS

The Corporation holds patents reflecting scientific and technical accomplishments in a wide range of areas covering both basic production of certain products, including aerospace products and musical instruments, as well as highly specialized devices and advanced technology products in such areas as nuclear sciences, strategic defense and other commercial, scientific and defense related fields.

Although the Corporation's patents enhance its competitive position, management believes that none of such patents or patent applications is singularly or as a group essential to its business as a whole. The Corporation holds or has applied for U.S. and foreign patents with expiration dates that range through the year 2011.

These patents are allocated among the Corporation's industry segments as follows:

	U.S. PATENTS		FOREIGN	
Patents Segment	Issued	Pending	Issued	Pending
Diversified Technologies	113	24	53	45
Distribution	26	0	13	0

Trademarks of Kaman Corporation include Adamas, Applause, Hamer, KAflex, KAron, K-Max, Magic Lantern, and Ovation. In all, the Corporation maintains 208 U.S. and foreign trademarks with 51 applications pending, most of which relate to music products in the Distribution segment.

COMPLIANCE WITH ENVIRONMENTAL PROTECTION LAWS

In the opinion of management, based on the Corporation's knowledge and analysis of relevant facts and circumstances, there will be no material adverse effect upon the capital expenditures, earnings or competitive position of the Corporation or any of its subsidiaries occasioned by compliance with any environmental protection laws.

The Corporation is subject to the usual reviews and inspections by environmental agencies of the various states in which the Corporation has facilities, and the Corporation has entered into agreements and consent decrees at various times in connection with such reviews. On occasion the Corporation also has been identified as a potentially responsible party ("PRP") by the U.S. Environmental Protection Agency in connection with its investigation of certain waste disposal sites. In each such instance to date, the Corporation's involvement, if any, has been either of a de minimis nature or the Corporation has been able to determine, based on its current knowledge, that resolution of such matters is not likely to have a material adverse effect on the future financial condition of the Corporation.

In arriving at this conclusion, the Corporation has taken into consideration site-specific information available regarding total costs of any work to be performed, and the extent of work previously performed. Where the Corporation has been identified as a PRP at a particular site, the Corporation, using information available to it, also has reviewed and considered (i) the financial resources of other PRP's involved in each site, and their proportionate share of the total volume of waste at the site; (ii) the existence of insurance, if any, and the financial viability of the insurers; and (iii) the success others have had in receiving reimbursement for similar costs under similar policies issued during the periods applicable to each site.

FOREIGN SALES

Ninety-three percent (93%) of the sales of the Corporation are made to customers located in the United States. In 1994, the Corporation continued its efforts to develop international markets for its products and foreign sales (including sales for export).

ITEM 2. PROPERTIES

The Corporation occupies approximately 4.6 million square feet of space throughout the United States, Canada, and Great Britain, distributed as follows:

SEGMENT	SQUARE FEET (in thousands)
Diversified Technologies	2,105
Distribution	2,412
Corporate Headquarters	40

Diversified Technologies principal facilities are located in Arizona, Colorado, Connecticut, Florida, Massachusetts, Pennsylvania and Virginia; other facilities including offices and smaller manufacturing and assembly operations are located in several other states. These facilities are used for manufacturing, scientific research and development, engineering and office purposes. The U.S. Government owns 154 thousand square feet of the space occupied by Kaman Aerospace Corporation in Bloomfield, Connecticut in accordance with a facility contract. In 1994 the Corporation purchased an 80 thousand square foot office building in Colorado Springs, Colorado, for use by its subsidiary, Kaman Sciences Corporation.

The Distribution segment occupies approximately 2.1 million square feet of space throughout the United States with principal facilities located in California, Connecticut, New York, Texas and Utah; approximately 100 thousand square feet of space in British Columbia, Canada; approximately 40 thousand square feet of space in Ontario, Canada; and approximately 150 thousand square feet of space in Essex, England. These facilities consist principally of regional distribution centers, service centers and office space with a portion used for fabrication and assembly work. Also included are facilities used for manufacturing musical instruments, and facilities leased in Florida for aviation services operations.

Kaman Corporation occupies a 40 thousand square foot Corporate headquarters building in Bloomfield, Connecticut.

The Corporation's facilities are suitable and adequate to serve its purposes. While substantially all of such properties are currently fully utilized, the Corporation consolidated some of its properties in the Diversified Technologies segment during 1994 and expects to consolidate further in the next few years. Many of the properties, especially within the Distribution segment, are leased and certain of the Corporation's properties are subject to mortgages.

ITEM 3. LEGAL PROCEEDINGS

There are no material pending legal proceedings to which the Corporation or any of its subsidiaries is a party or to which any of their property is subject.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders during the fourth quarter of 1994.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

CAPITAL STOCK AND PAID-IN CAPITAL

Information required by this item appears in the Corporation's 1994 Annual Report to Shareholders and is included in Exhibit 13 to this Form 10-K, and is incorporated herein by reference.

DIVIDEND REINVESTMENT PLAN

Registered shareholders of Kaman Class A common stock are eligible to participate in the Automatic Dividend Reinvestment Program. A booklet describing the plan may be obtained by writing to the Corporation's transfer agent, Chemical Bank, Securityholder Relations, J.A.F. Building, P. O. Box 3068, New York, NY 10116-3068.

QUARTERLY CLASS A COMMON STOCK INFORMATION

	High	Low	Close	Dividend
1994				
First	$10 3/8	$9	$ 9 5/8	$.11
Second	10 1/8	8 7/8	9 1/8	$.11
Third	10 1/8	8 1/2	9 5/8	$.11
Fourth	11 1/8	9 1/8	11	$.11
1993				
First	$12 1/8	$9 1/2	$11 1/4	$.11
Second	11 3/4	9 7/8	10 3/4	$.11
Third	11 1/2	9 1/2	10	$.11
Fourth	10 1/8	8 5/8	10 1/8	$.11

QUARTERLY DEBENTURE INFORMATION (6% Conv. Subordinated)(Bid)

	High	Low	Close
1994			
First	$85	$83	$83
Second	83	76	76
Third	76	74	74
Fourth	74	71	74
1993			
First	$88 1/2	$77	$88 1/2
Second	88 1/2	85	85
Third	89 1/2	83 1/2	89 1/4
Fourth	89 3/4	84 3/4	85

QUARTERLY DEPOSITARY SHARES INFORMATION

	High	Low	Close	Dividend
1994				
First	$52	$50 1/2	$50 3/4	$.81 1/4
Second	51	42 1/2	42 1/2	$.81 1/4
Third	46	40 3/4	43 5/8	$.81 1/4
Fourth	48	42 3/4	46 3/4	$.81 1/4

Kaman's Depositary Shares (each representing a one-quarter interest in a share of its Series 2 preferred stock, $200 liquidation preference) were issued in October 1993, and traded in a range between 48 and 51 1/2, closing 1993 at 51 1/2.

NASDAQ market quotations reflect inter-dealer prices, without retail mark-up, mark-down, or commission and may not necessarily represent actual transactions.

ANNUAL MEETING

The Annual Meeting of Shareholders will be held on Tuesday, April 18, 1995 at 11:00 a.m. in the offices of the Corporation, 1332 Blue Hills Avenue, Bloomfield, Connecticut 06002.

ITEM 6. SELECTED FINANCIAL DATA

Information required by this item appears in the Corporation's 1994 Annual Report to Shareholders and is included in Exhibit 13 to this Form 10-K, and is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Information required by this item appears in the Corporation's 1994 Annual Report to Shareholders and is included in Exhibit 13 to this Form 10-K, and is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Information required by this item appears in the Corporation's 1994 Annual Report to Shareholders and is included in Exhibit 13 to this Form 10-K, and is incorporated herein by reference. Additional financial information is contained in the Financial Data Schedule included as Exhibit 27 to this Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Following is information concerning each Director and Executive Officer of Kaman Corporation including name, age, position with the Corporation, and business experience during the last five years:

T. Jack Cahill	Mr. Cahill, 46, has held various positions with Kaman Industrial Technologies Corporation, a subsidiary of the Corporation, since 1975. He was appointed President of Kaman Industrial Technologies in 1993.

E. Reeves Callaway, II	Mr. Callaway, 47, is a Director Nominee for election at the Corporation's 1995 Annual Meeting of Shareholders. He is President of The Callaway Companies, Inc.
Frank C. Carlucci	Mr. Carlucci, 64, has been a Director since 1989. He is Chairman of The Carlyle Group, merchant bankers, having formerly served as Vice Chairman since 1989. Prior to that he served as U.S. Secretary of Defense. Mr. Carlucci is also a Director of Westinghouse Electric Corporation, Ashland Oil, Inc., Bell Atlantic Corporation, General Dynamics Corporation, Neurogen Corporation, Northern Telecom Limited, Quaker Oats Company, The Upjohn Company, Sun Resorts, Inc., and Texas Biotechnology Corporation.
William P. Desautelle	Mr. Desautelle, 55, has been Senior Vice President and Treasurer since 1990 and was also designated Chief Investment Officer in April 1992. Prior to that he had served as Vice President and Treasurer.
John A. DiBiaggio	Dr. DiBiaggio, 62, has been a Director since 1984. He is President and Chief Executive Officer of Tufts University. Prior to that he was President and Chief Executive Officer of Michigan State University.
Edythe J. Gaines	Dr. Gaines, 72, has been a Director since 1982. She is a retired Commissioner of the Public Utility Control Authority of the State of Connecticut.
Robert M. Garneau	Mr. Garneau, 50, has been Senior Vice President and Controller since 1990 and was also designated Chief Financial Officer in April, 1992. Prior to that he had served as Vice President and Controller.
Huntington Hardisty	Admiral Hardisty (USN-Ret.), 65, has been a Director since 1991. He retired from the U.S. Navy in 1991 having served as Commander-in-Chief for the U.S. Navy Pacific Command since 1988, and presently acts as a consultant to private industry.

Charles H. Kaman	Mr. Kaman, 75, has been Chief Executive Officer and Chairman of the Board of Directors since 1945. He was also President from 1945 to 1990.
C. William Kaman II	Mr. Kaman, 43, has been a Director since 1992. He has held various positions with Kaman Music Corporation, a subsidiary of the Corporation, since 1974, serving as President of Kaman Music since 1986. Mr. Kaman is the son of Charles H. Kaman, Chairman and Chief Executive Officer of the Corporation.
Walter R. Kozlow	Mr. Kozlow, 59, has held various positions with Kaman Aerospace Corporation, a subsidiary of the Corporation, since 1960. He has been President of Kaman Aerospace since 1986.
Hartzel Z. Lebed	Mr. Lebed, 67, has been a Director since 1982. He is the retired President of CIGNA Corporation and is a Director of Shawmut National Trust Company.
Harvey S. Levenson	Mr. Levenson, 54, has been a Director since 1989. He has been President and Chief Operating Officer since April, 1990. Prior to that he had served as Senior Vice President and Chief Financial Officer. He is also a director of Connecticut Natural Gas Corporation and Security-Connecticut Corporation.
Walter H. Monteith, Jr.	Mr. Monteith, 64, has been a Director since 1987. He is the retired Chairman of Southern New England Telecommunications Corporation. Mr. Monteith is also a director of Shawmut Bank.
John S. Murtha	Mr. Murtha, 81, has been a Director since 1948. He is counsel to and a former senior partner of the law firm of Murtha, Cullina, Richter and Pinney.

Robert L. Newell	Mr. Newell, 72, has been a Director since 1976. He is the retired Chairman of Hartford National Corporation, now a part of Shawmut Bank.
Patrick L. Renehan	Mr. Renehan, 61, has been a Vice President of Kaman Diversified Technologies Corporation, a subsidiary of the Corporation, since 1987. Prior to that he served as a Vice President of Kaman Aerospace Corporation.
Wanda L. Rogers	Mrs. Rogers, 62, has been a Director since 1991. She is Chief Executive Officer of Rogers Helicopters, Inc. She is also Chairman of the Board of Clovis Community Bank.
Richard E.W. Smith	Mr. Smith, 60, was appointed a Vice President of the Corporation in 1989. He has been President of Kaman Diversified Technologies Corporation, a subsidiary of the Corporation, since 1990 and prior to that he served as Vice President of Kaman Sciences Corporation, a subsidiary of the Corporation.

Each Director and Executive Officer has been elected for a term of one year and until his or her successor is elected. The terms of all such Directors and Executive Officers are expected to expire as of the Annual Meeting of the Shareholders and Directors of the Corporation to be held on April 18, 1995.

ITEM 11. EXECUTIVE COMPENSATION

A) GENERAL. The following tables provide certain information relating to the compensation of the Corporation's Chief Executive Officer, its four other most highly compensated executive officers and its directors.

B) SUMMARY COMPENSATION TABLE.

(a) Name and Principal Position	(b) Year	Annual Compensation (c) Salary ($)	(d) Bonus ($)	(e) Other Annual Comp.	Long Term Compensation AWARDS (f) RSA ($)(1)	(g) Options (#Shares)	(h) LTIP Payments	(i) All Other Comp. ($)(2)
C. H. Kaman Chairman and Chief Executive Officer	1994	660,000	-------	------	------	------	---	55,261
	1993	660,000	218,000	73,004(3)	------	------	---	69,768
	1992	660,000	290,000	------	------	------	---	57,956
H.S.Levenson President and Chief Operating Officer	1994	400,000	-------	------	------	------	---	10,743
	1993	400,000	108,000	------	38,000	12,000	---	18,603
	1992	400,000	144,000	------	49,375	------	---	10,664
W.R.Kozlow President, Kaman Aerospace Corporation	1994	216,000	60,000	------	------	------	---	8,636
	1993	216,000	50,000	------	28,500	9,000	---	10,446
	1992	210,000	60,000	------	29,625	------	---	6,271
R.M.Garneau Senior Vice President and Chief Financial Officer	1994	200,000	60,000	------	------	------	---	4,845
	1993	190,000	45,000	------	28,500	9,000	---	5,931
	1992	172,000	50,000	------	29,625	------	---	4,761
P.L.Renehan Vice President Kaman Diversified Technologies Corporation	1994	210,000	45,000	------	------	------	---	8,214
	1993	205,000	40,000	------	28,500	9,000	---	8,799
	1992	198,000	50,000	------	24,688	------	---	6,479

1. As of December 31, 1994, aggregate restricted stock holdings and their year end values were: C.H. Kaman, none; H.S. Levenson, 18,200 shares valued at $200,200; W.R. Kozlow, 6,000 shares valued at $66,000; R.M.Garneau, 6,000 shares valued at $66,000; P.L. Renehan, 5,400 shares valued at $59,400. Restrictions lapse at the rate of 20% per year for all awards, beginning one year after the grant date. Awards reported in this column are as follows: H.S. Levenson, 4,000 shares in 1993 and 5,000 shares in 1992; W.R. Kozlow, 3,000 shares each in 1993, and 1992; R. M. Garneau, 3,000 shares each in 1993 and 1992; P. L. Renehan, 3,000 shares in 1993, and 2,500 shares in 1992. Dividends are paid on the restricted stock.

2. Amounts reported in this column consist of: C. H. Kaman, $53,000 - Officer 162 Insurance Program, $2,261 - medical expense reimbursement program ("MERP"); H.S. Levenson, $3,322 - Senior executive life insurance program ("Executive Life"), $4,524 - Officer 162 Insurance Program, $1,875 - employer matching contributions to the Kaman Corporation Thrift and Retirement Plan (the "Thrift Plan employer match"), $1,022 - MERP; W. R. Kozlow, $4,131 - Executive Life, $1,875 - Thrift Plan employer match, $1,238 - MERP; $1,392 - Discretionary cash-out of certain stock options under Stock Incentive Plan; R. M. Garneau, $1,654 - Executive Life, $851 - Officer 162 Insurance Program, $1,875 - Thrift Plan employer match, $465 - MERP; P. L. Renehan, $5,219 - Executive Life, $1,875 - Thrift Plan employer match, $1,120 - MERP.

3. The Corporation maintains a program pursuant to which it pays for tax and estate planning services provided to executive officers by third parties, up to certain limits. $62,164 of the figure reported in this column relates to payments for such services on behalf of Mr. Kaman.

C) OPTION/SAR GRANTS IN THE LAST FISCAL YEAR:

Individual Grants					Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Name	Options/ SARs Granted (#)	% of Total Options/ SARs Granted to Employees in Fiscal Year	Exercise or Base Price ($/Sh)	Expiration Date	5%($)	10%($)
C. H. Kaman	none	---	---	---	---	---
H.S. Levenson	none	---	---	---	---	---
W. R. Kozlow	none	---	---	---	---	---
R. M. Garneau	none	---	---	---	---	---
P. L. Renehan	none	---	---	---	---	---

D) AGGREGATED OPTION/SAR EXERCISES IN THE LAST FISCAL YEAR, AND FISCAL YEAR-END OPTION/SAR VALUES.

Name	Shares acquired on Exercise(#)	Value realized	Number of Unexercised options/SARs at FY-end (#) exercisable/ unexercisable	Value of Unexercised in-the-money options/SARs at FY-end ($) exercisable/ unexercisable
(a)	(b)	(c)	(d)	(e)
C. H. Kaman	None	---	45,000/-0-	143,125/0
H. S. Levenson	None	---	29,400/12,800	89,400/24,600
W. R. Kozlow	None	---	18,400/9,000	52,150/16,500
R. M. Garneau	None	---	11,600/9,000	34,000/16,500
P. L. Renehan	None	---	11,700/8,700	34,200/15,500

E) LONG TERM INCENTIVE PLAN AWARDS: No long term incentive plan awards were made to any named executive officer in the last fiscal year.

F) PENSION AND OTHER DEFINED BENEFIT DISCLOSURE. The following table shows estimated annual benefits payable at normal retirement age to participants in the Corporation's Pension Plan at various compensation and years of service levels using the benefit formula applicable to Kaman Corporation. Pension benefits are calculated based on 60 percent of the average of the highest five consecutive years of "covered compensation" out of the final ten years of employment less 50 percent of the primary social security benefit, reduced proportionately for years of service less than 30 years:

PENSION PLAN TABLE

	Years of Service				
Remuneration*	15	20	25	30	35
125,000	34,059	45,639	56,538	68,118	68,118
150,000	41,559	55,689	68,988	83,118	83,118
175,000	49,059	65,739	81,438	98,118	98,118
200,000	56,559	75,789	93,888	113,118	113,118
225,000	64,059	85,839	106,338	128,118	128,118
250,000	71,559	95,889	118,788	143,118	143,118
300,000	86,559	115,989	143,688	173,118	173,118
350,000	101,559	136,089	168,588	203,118	203,118
400,000	116,559	156,189	193,488	233,118	233,118
450,000	131,559	176,289	218,388	263,118	263,118
500,000	146,559	196,389	243,288	293,118	293,118
750,000	221,559	296,889	367,788	443,118	443,118
1,000,000	296,559	397,389	492,288	593,118	593,118
1,250,000	371,559	497,889	616,788	743,118	743,118
1,500,000	446,559	598,389	741,288	893,118	893,118

*Remuneration: Average of the highest five consecutive years of "Covered Compensation" out of the final ten years of service.

"Covered Compensation" means "W-2 earnings" or "base earnings", if greater, as defined in the Pension Plan. W-2 earnings for pension purposes consist of salary (including 401(k) and Section 125 Plan contributions but not deferrals under a non-qualified Deferred Compensation Plan), bonus and taxable income attributable to restricted stock awards. Salary and bonus amounts for the named Executive Officers for 1994 are as shown on

the Summary Compensation Table. Compensation deferred under the Corporation's non-qualified deferred compensation plan is included in Covered Compensation here because it is covered by the Corporation's unfunded supplemental employees' retirement plan for the participants in that plan.

Current Compensation covered by the Pension Plan for any named executive whose Covered Compensation differs by more than 10% from the compensation disclosed for that executive in the Summary Compensation Table: Mr. Levenson, $543,618; Mr. Kozlow, $250,185; Mr. Garneau, $230,034; Mr. Renehan, $238,682.

Federal law imposes certain limitations on annual pension benefits under the Pension Plan. For the named executive officers, the excess will be paid under the Corporation's unfunded supplemental employees' retirement plan.

The Executive Officers named in Item 11(b) are participants in the plan and as of January 1, 1995, had the number of years of credited service indicated: Mr. Kaman - 49 years; Mr. Levenson - 12 years; Mr. Kozlow - 35 years; Mr. Garneau - 13 years; and Mr. Renehan - 11 years.

Benefits are computed generally in accordance with the benefit formula described above.

G) COMPENSATION OF DIRECTORS. Non-officer members of the Board of Directors of the Corporation receive an annual retainer of $14,000 and a fee of $750 for attending each meeting of the Board and each meeting of a Committee of the Board, except that the Chairman of the Audit Committee receives $850 for attending each meeting of that Committee. These fees may be received on a deferred basis.

H) EMPLOYMENT CONTRACTS AND TERMINATION, SEVERANCE AND CHANGE OF CONTROL ARRANGEMENTS. Except as described in connection with the Corporation's Pension Plan and the Corporation's non-qualified Deferred Compensation Plan, the Corporation has no employment contract, plan or arrangement with respect to any named executive which relates to employment termination for any reason, including resignation, retirement or otherwise, or a change in control of the Corporation or a change in any such executive officer's responsibilities following a change of control, which exceeds or could exceed $100,000.

I) Not Applicable.

J) COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION IN COMPENSATION DECISIONS.

1) The following persons served as members of the Personnel and Compensation Committee of the Corporation's Board of Directors during the last fiscal year: Dr. Gaines, Mr. Carlucci, Mr. Murtha, Mr. Newell and Mr. Monteith. None of these individuals was an officer or employee of the Corporation or any of its subsidiaries during the last fiscal year. Mr. Murtha was Secretary of the Corporation in years prior to April 1989 and his relationship with the Corporation is further disclosed in Item 13 of this report.

2) During the last fiscal year no executive officer of the Corporation served as a director of or as a member of the compensation committee (or other board committee performing equivalent functions) of another entity, one of whose executive officers served as a director of, or on the Personnel and Compensation Committee of the Corporation.

K) Not Applicable.

L) Not Applicable.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS.

Following is information about persons known to the Corporation to be beneficial owners of more than five percent (5%) of the Corporation's voting securities. Ownership is direct unless otherwise noted.

Class of Common Stock	Name and Address Beneficial Owner	Number of Shares Owned as of February 1, 1995	Percentage of Class
Class B	Charles H. Kaman Kaman Corporation Blue Hills Avenue Bloomfield, CT 06002	258,375(1)	38.69%
Class B	Newgate Associates, Ltd. c/o John T. Del Negro CityPlace I 185 Asylum Street Hartford, CT 06103	199,802	29.91%
Class B	Robert D. Moses Farmington Woods Avon, CT 06001	48,729(2)	7.30%
Class B	Glenn M. Messemer Kaman Corporation Blue Hills Avenue Bloomfield, CT 06002	33,500	5.02%

(1) Excludes 1,471 shares held by Mrs. Kaman. Excludes 199,802 shares reported separately above and held by Newgate Associates Limited Partnership, a limited partnership in which Mr. Kaman serves as general partner.

(2) Includes 15,192 shares held by Mr. Moses and 33,537 shares held by Paulson and Company as follows: 11,481 shares for the benefit of Mr. Moses, and 22,056 shares held for a partnership controlled by Mr. Moses.

(b) SECURITY OWNERSHIP OF MANAGEMENT. The following is information concerning beneficial ownership of the Corporation's stock by each Director of the Corporation, each Executive Officer of the Corporation named in the Summary Compensation Table, and all Directors and Executive Officers of the Corporation as a group. Ownership is direct unless otherwise noted.

Name	Class of Common Stock	Number of Shares Owned as of February 1, 1995	Percentage of Class
Frank C. Carlucci	Class A	3,000(1)	*
John A. DiBiaggio	--	--	--
Edythe J. Gaines	Class A	1,983	*
Robert M. Garneau	Class A	29,608(2)	*
	Class B	2,160	*
Huntington Hardisty	--	--	--
Charles H. Kaman	Class A	383,040(3)	2.18%
	Class B	258,375(4)	38.69%
C. William Kaman, II	Class A	105,414(5)	*
	Class B	7,567(6)	1.13%
Walter R. Kozlow	Class A	51,696(7)	*
	Class B	296	*
Hartzel Z. Lebed	Class A	7,355(8)	*
Harvey S. Levenson	Class A	76,300(9)	*
	Class B	19,500(10)	2.92%
Walter H. Monteith, Jr.	Class A	200	*
John S. Murtha	Class A	48,618(11)	*
	Class B	432	*
Robert L. Newell	Class A	2,880	*
Patrick L. Renehan	Class A	33,552(12)	*
Wanda L. Rogers	Class A	1,000	--
All Directors and Executive Officers	Class A	799,337(13)	4.56%
as a group **	Class B	300,273	44.96%

(1) Held jointly with Mrs. Carlucci.
(2) Includes 11,600 shares subject to exercisable portion of stock options.
(3) Excludes the following: 24,132 shares held by Mrs. Kaman; 7,796 shares held by Fidelco Guide Dog Foundation, Inc., a charitable foundation of which Mr. Kaman is President and Director, in which shares Mr. Kaman disclaims beneficial ownership; 184,434 shares held by Newgate Associates Limited Partnership, a limited partnership of which Mr. Kaman is the general partner; and 60,000 shares held by the Charles H. Kaman Charitable Foundation, a private charitable foundation. Included are 45,000 shares subject to exercisable portion of stock options.
(4) Excludes the following: 1,471 shares held by Mrs. Kaman and 199,802 shares held by Newgate Associates Limited Partnership, a limited partnership of which Mr. Kaman is the general partner.
(5) Includes 13,000 shares subject to exercisable portion of stock options; and excludes 73,190 shares held by Mr. Kaman as Trustee, in which shares Mr. Kaman disclaims any beneficial ownership.
(6) Excludes 4,800 shares held by Mr. Kaman as Trustee in which shares Mr. Kaman disclaims any beneficial ownership.
(7) Includes 18,400 shares subject to exercisable portion of stock options.
(8) Includes 7,330 shares held jointly with Mrs. Lebed, excludes 480 shares held by Mrs. Lebed.
(9) Includes 2,400 shares subject to exercisable portion of stock options.
(10) Excludes 500 shares held by Mrs. Levenson.
(11) Held by Fleet National Bank pursuant to a revocable trust. Excludes 7,980 shares held by Fleet National Bank pursuant to a revocable trust for the benefit of Mrs. Murtha.
(12) Includes 11,700 shares subject to exercisable portion of stock options; and includes 1,275 shares held jointly with Mrs. Renehan.
(13) Includes 131,300 shares subject to exercisable portion of stock options.

* Less than one percent.
** Excludes 24,612 Class A shares and 1,971 Class B shares held by spouses of certain Directors and Executive Officers.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During 1994, the Corporation obtained legal services from the Hartford, Connecticut law firm of Murtha, Cullina, Richter and Pinney of which Mr. Murtha, a Director of the Corporation, is counsel. Also during 1994, the Corporation obtained design and promotional services in the amount of $78,344.50 from Steven W. Kaman and Polykonn Corporation, a corporation controlled by him. Steven W. Kaman is the son of Charles H. Kaman, Chairman and Chief Executive Officer of the Corporation.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a)(1) FINANCIAL STATEMENTS.
See Item 8 concerning financial statements appearing as Exhibit 13 to this Report and concerning the Financial Data Schedule appearing as Exhibit 27 to this Report.

(a)(2) FINANCIAL STATEMENT SCHEDULES.
An index to the financial statement schedules immediately precedes such schedules.

(a)(3) EXHIBITS.
An index to the exhibits filed or incorporated by reference immediately precedes such exhibits.

(b) REPORTS ON FORM 8-K.
No reports on Form 8-K were filed during the last quarter of the year ended December 31, 1994, which year is covered by this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the Town of Bloomfield, State of Connecticut, on this 3rd day of March, 1995.

KAMAN CORPORATION
(Registrant)

By Charles H. Kaman, Chairman
and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature:	Title:	Date:
Charles H. Kaman	Chairman, Chief Executive Officer and Director (Chief Executive Officer)	March 8, 1995
Harvey S. Levenson	President and Director (Chief Operating Officer)	March 8, 1995
Robert M. Garneau	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 8, 1995
Harvey S. Levenson		March 8, 1995

Attorney-in-Fact for:

Frank C. Carlucci	Director
John A. DiBiaggio	Director
Edythe J. Gaines	Director
Huntington Hardisty	Director
C. William Kaman, II	Director
Hartzel Z. Lebed	Director
Walter H. Monteith, Jr.	Director
John S. Murtha	Director
Robert L. Newell	Director
Wanda L. Rogers	Director

KAMAN CORPORATION AND SUBSIDIARIES

Index to Financial Statement Schedules

REPORT OF INDEPENDENT AUDITORS

KPMG Peat Marwick LLP
Certified Public Accountants
CityPlace II
Hartford, Connecticut 06103

The Board of Directors and Shareholders
Kaman Corporation:

Under date of January 25, 1995, we reported on the consolidated balance sheets of Kaman Corporation and subsidiaries as of December 31, 1994 and 1993 and the related consolidated statements of earnings, changes in shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 1994, as contained in the 1994 annual report to shareholders. These consolidated financial statements and our report thereon are included in the annual report on Form 10-K for 1994. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related financial statement schedules as listed in the accompanying index. These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based on our audits.

In our opinion, such schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

/s/ KPMG Peat Marwick LLP

Hartford, Connecticut
January 25, 1995

KAMAN CORPORATION AND SUBSIDIARIES
SCHEDULE VIII - VALUATION AND QUALIFYING ACCOUNTS
(Dollars in Thousands)

YEAR ENDED DECEMBER 31, 1992

DESCRIPTION	BALANCE JANUARY 1, 1992	Additions: CHARGED TO COSTS AND EXPENSES	Additions: OTHERS	DEDUCTIONS	BALANCE DECEMBER 31, 1992
Allowance for doubtful accounts	$1,198	$1,076	$-----	$1,040(A)	$1,234
Accumulated amortization of goodwill	$7,465	$1,265	$-----	$-----	$8,730

YEAR ENDED DECEMBER 31, 1993

DESCRIPTION	BALANCE JANUARY 1, 1993	Additions: CHARGED TO COSTS AND EXPENSES	Additions: OTHERS	DEDUCTIONS	BALANCE DECEMBER 31, 1993
Allowance for doubtful accounts	$1,234	$1,141	$-----	$ 799(A)	$1,576
Accumulated amortization of goodwill	$8,730	$1,268	$-----	$-----	$9,998

YEAR ENDED DECEMBER 31, 1994

DESCRIPTION	BALANCE JANUARY 1, 1994	Additions: CHARGED TO COSTS AND EXPENSES	Additions: OTHERS	DEDUCTIONS	BALANCE DECEMBER 31, 1994
Allowance for doubtful accounts	$1,576	$1,198	$-----	$1,109(A)	$1,665
Accumulated amortization of goodwill	$9,998	$1,318	$-----	$7,772(B)	$3,544

(A) Write-off of bad debts, net of recoveries
(B) Write-off of accumulated amortization of goodwill related to the write-down of goodwill in Raymond Engineering Inc.

KAMAN CORPORATION AND SUBSIDIARIES
SCHEDULE IX -- SHORT-TERM BORROWINGS
(Dollars in Thousands)

YEAR ENDED DECEMBER 31, 1992

Category of Aggregate Short-Term Borrowings	Balance Dec. 31, 1992	Weighted Average Interest Rate	Maximum Amount Out-standing During the Year	Average Amount Out-standing During the Year	Weighted Average Interest Rate During the Year
Notes Payable - -- Bank	$7,668	5.0%	$34,857	$16,734	4.4%

YEAR ENDED DECEMBER 31, 1993

Category of Aggregate Short-Term Borrowings	Balance Dec. 31, 1993	Weighted Average Interest Rate	Maximum Amount Out-standing During the Year	Average Amount Out-standing During the Year	Weighted Average Interest Rate During the Year
Notes Payable - -- Bank	$31,161	3.6%	$62,880	$43,158	3.5%

YEAR ENDED DECEMBER 31, 1994

Category of Aggregate Short-Term Borrowings	Balance Dec. 31, 1994	Weighted Average Interest Rate	Maximum Amount Out-standing During the Year	Average Amount Out-standing During the Year	Weighted Average Interest Rate During the Year
Notes Payable - -- Bank	$52,659	5.9%	$81,053	$45,546	5.0%

KAMAN CORPORATION AND SUBSIDIARIES
Schedule X -- Supplemental Income Statement Information
(Dollars in Thousands)

ITEM	Charged to Costs and Expenses
Year Ended December 31, 1992	
Maintenance and repairs	$ 9,041
Year Ended December 31, 1993	
Maintenance and repairs	$ 8,650
Year Ended December 31, 1994	
Maintenance and repairs	$10,482

Depreciation and amortization of intangible assets, preoperating costs and similar deferrals; taxes, other than payroll and income taxes; royalties and advertising costs were not included above since they were not of a significant amount.

KAMAN CORPORATION

INDEX TO EXHIBITS

Exhibit 3a	The Amended and Restated Certificate of Incorporation of the Corporation, as amended, including the form of amendment designating the Corporation's Series 2 Preferred Stock has been filed as Exhibits 2.1 and 2.2 to the Corporation's Form 8-A (Document No. 0-1093 filed on September 27, 1993), and is incorporated in this report by reference.	by reference
Exhibit 3b	The By-Laws of the Corporation were filed as Exhibit 3(b) to the Corporation's Annual Report on Form 10-K for 1990 (Document No. 0-1093, filed with the Securities and Exchange Commission on March 14, 1991).	by reference
Exhibit 4a	Indenture between the Corporation and Manufacturers Hanover Trust Company, as Indenture Trustee, with respect to the Corporation's 6% Convertible Subordinated Debentures, has been filed as Exhibit 4.1 to Registration Statement No. 33 - 11599 on Form S-2 of the Corporation filed with the Securities and Exchange Commission on January 29, 1987 and is incorporated in this report by reference.	by reference

Exhibit 4b	The Revolving Credit Agreement between the Corporation and The Shawmut Bank Connecticut, as agent, dated as of July 15, 1994 was previously filed as an Exhibit to the Corporation's Quarterly Report on Form 10-Q for the period ending June 30, 1994 (Document No. 0-1093 filed with the Securities and Exchange Commission on August 11, 1994) and is incorporated in this report by reference.	by reference
Exhibit 4c	The Revolving Credit Agreement between the Corporation and The Bank of Nova Scotia, as agent, dated as of July 15, 1994 has been filed as an Exhibit to Form 10-Q filed for the quarter ended June 30, 1994 (Document No. 0-1093 filed with the Securities and Exchange Commission on August 11, 1994)and is incorporated in this report by reference.	by reference
Exhibit 4d	Deposit Agreement dated as of October 15, 1993 between the Corporation and Chemical Bank as Depositary and Holder of Depositary Shares has been filed as Exhibit (c)(1) to Schedule 13E-4 (Document No. 5-34114 filed with the Securities and Exchange Commission on September 15, 1993) and is incorporated in this report by reference.	by reference
Exhibit 4e	The Corporation is party to certain long-term debt obligations, such as real estate mortgages, copies of which it agrees to furnish to the Commission upon request.	by reference

Exhibit 10a	The 1983 Stock Incentive Plan (formerly known as the 1983 Stock Option Plan) has been filed as Exhibit 10b(iii) to the Corporation's Annual Report on Form 10-K for 1988 (Document No. 0-1093 filed with the Securities and Exchange Commission on March 22, 1989) and is incorporated in this report by reference.	by reference
Exhibit 10b	The Kaman Corporation 1993 Stock Incentive Plan has been filed as Exhibit 10(b) to the Corporation's Annual Report on Form 10-K for 1993 (Document No. 0-1093 filed with the Securities and Exchange Commission on March 11, 1994) and is incorporated herein by reference.	by reference
Exhibit 10c	The Kaman Corporation Employees Stock Purchase Plan as amended has been filed as Exhibit 10(c) to the Corporation's Annual Report on Form 10-K for 1993 (Document No. 0-1093 filed with the Securities and Exchange Commission on March 11, 1994) and is incorporated herein by reference.	by reference
Exhibit 11	Statement regarding computation of per share earnings.	Attached
Exhibit 13	Portions of the Corporation's 1994 Annual Report to Shareholders as required by Item 8.	Attached
Exhibit 21	Subsidiaries.	Attached
Exhibit 23	Consent of Independent Auditors.	Attached
Exhibit 24	Power of attorney under which this report has been signed on behalf of certain directors.	Attached
Exhibit 27	Financial Data Schedule	Attached

EXHIBIT 11

KAMAN CORPORATION AND SUBSIDIARIES

EARNINGS PER COMMON SHARE COMPUTATION

(In Thousands Except Per Share Amounts)

	1994	1993	1992
Primary:			
Net earnings (loss) applicable to common stock	$(16,897)	$(29,497)	$17,376
Weighted average number of common shares outstanding	18,175	18,133	18,172
Weighted average shares issuable on exercise of dilutive stock options	*	*	111
Total	18,175	18,133	18,283
Net earnings (loss) per common share-primary	$ (.93)	$ (1.63)	$ .95
Fully diluted:			
Net earnings(loss)applicable to common stock	$(16,897)	$(29,497)	$17,376
Elimination of interest expense on 6% subordinated convertible debentures (net after taxes)	*	*	3,414
Elimination of preferred stock dividend requirement	*	*	---
Net earnings(loss)(as adjusted)	$(16,897)	$(29,497)	$20,790
Weighted average number of shares outstanding including shares issuable on stock option exercises	18,175	18,133	18,283
Shares issuable on conversion of 6% subordinated convertible debentures	*	*	4,067
Shares issuable on conversion of Series 2 preferred stock	*	*	-
Additional shares using ending market price instead of average market on treasury method use of stock option proceeds	*	*	16
Total	18,175	18,133	22,366
Net earnings (loss) per common share-fully diluted	$ (.93)	$ (1.63)	$ .93

*Anti-dilutive and accordingly not included in the computation.

EXHIBIT 13

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Revenues for 1994 were $820.8 million compared to $794.1 million in 1993, and $784.7 million in 1992. During 1994, the corporation's Distribution businesses benefitted from healthy growth in the domestic economy, however it was another year in which conditions in the defense market adversely affected the corporation's overall performance. In the fourth quarter of 1994, the corporation recorded a pre-tax charge of $44.0 million representing a write-down of the corporation's investment in Raymond Engineering, a Diversified Technologies subsidiary which has now been merged into Kaman Aerospace, another Kaman subsidiary.

Diversified Technologies segment revenues were down 9% in 1994, and 5% in both 1993 and 1992. The defense portion of Diversified Technologies' business (80% in 1994) has been affected for some time now by shifts in U.S. defense planning and spending priorities and federal budget constraints which continue to result in declining defense expenditures. During 1994, another aspect of change in defense market emphasis emerged. Specifically, the federal government and the Department of Defense appear to be undertaking a serious effort to implement the concept of defense acquisition reform. This reform effort, described in a 1994 Department of Defense paper, calls for the Department to meet its needs, wherever possible, through the use of commercially developed state-of-the-art technology products and performance based procurement standards rather than traditional military specifications ("mil spec") standards. In part, this acquisition reform effort provides an avenue for addressing certain inefficiencies of the mil spec process. In many instances, mil spec has become overly bureaucratic, complex, and time consuming, often resulting in needless expenditure of taxpayer dollars. It is anticipated that, in time, acquisition reform which emphasizes procurement of commercially developed technology products can save money by shortening product development time and avoiding costly delays and budget overruns, consequences which are typical of many mil spec development programs.

The trend toward defense acquisition of commercial products, and management's expectation that defense spending will probably continue to decline in future periods have influenced management's assessment of the forecasted operations of Raymond Engineering, a Kaman subsidiary which maintains several mil spec type product lines. Management believes that these product lines

are in need of varying levels of investment (some more substantial than others) in order to be competitively positioned in the technologically evolving marketplace. Management has evaluated the long term prospects for these programs, and has determined that it will undertake investment in further development of products which demonstrate the most potential for success in future periods, while forgoing investment in other products which are unable to demonstrate such potential. Therefore, Raymond Engineering's operations are being downsized to focus on product areas which are expected to be most successful and it has been merged into Kaman Aerospace, another Kaman company, in order to achieve reduced overheads and enhanced operational efficiency.

As a result, the corporation took a fourth quarter pre-tax charge of $44.0 million to write-down its investment in Raymond Engineering. Management's best estimate of Raymond Engineering's forecasted future operations, including interest expense, is that they do not support the recoverability of its goodwill balance and a certain amount of facilities and equipment, which has resulted in a write-down of approximately $25.5 million for these items. In addition, inventories whose cost is not expected to be recovered have been written down to estimated net realizable value during the fourth quarter. The remainder of the charge relates to personnel reductions and other expenses associated with downsizing Raymond Engineering's business. The majority of work force reductions involve management and administrative staff whose functions are redundant to the merged organization. Severance payments of approximately $2.5 million are to be made in accordance with Raymond Engineering's written severance pay policy and, in certain cases, individually negotiated agreements. Other expenses include contract close-out costs of $6.5 million and related expenses of $4.0 million which will not benefit the continuing activities of the merged organization.

Without regard to acquisition reform, management continues to believe that advanced technology defense programs are likely to fare better than other types of programs in a defense environment which has shifted to greater emphasis on more cost effective advanced technology "smart" weapons that are intended to limit loss of life and unnecessary destruction of property. The corporation has significant expertise in this area, having performed a multitude of government contracts for advanced technology programs over the years. Management believes that the corporation is well positioned to compete in a defense environment that emphasizes these types of products and systems, as well as advanced technology services such as computer software development, intelligence analysis, and research and development. Even so, management recognizes that as the government continues to focus on advanced technology programs in an environment where overall defense expenditures are declining, competition for these types of government contracts can be expected to increase.

The shift in defense market emphasis to advanced technology programs and defense spending reductions continue to foster an environment in which military hardware programs remain more vulnerable to risk of program termination, contract cancellation, or lack of funding. The corporation has felt the effects of these risks, principally with respect to its SH-2 helicopter. The corporation finished its contract to retrofit certain SH-2Fs to the SH-2G configuration in 1994. Management does not believe that the U.S. Navy will presently have further requirements for retrofits of this helicopter for its own use since the Navy is reducing the size of its fleet. At the present time, there are two squadrons of SH-2 helicopters (i.e., a total of sixteen helicopters) serving in the Naval reserves and no helicopters in active Naval service. The corporation expects to continue to provide logistics and spare parts support for the SH-2, but at lower levels than in the past. There is some potential that in the event the Navy provides these retired ships to foreign military services, an opportunity might exist for use of the SH-2 for those purposes. This potential is evidenced by the fact that during 1994, the Egyptian government signed a letter of agreement with the U.S. Navy for the acquisition of ten (10) SH-2G helicopters. The corporation is in the process of negotiating its contract with the U.S. Navy to perform the retrofit work which is expected to have a value of $100 million over a three (3) year period.

With respect to commercial work of the Diversified Technologies segment, management has been successful in developing a variety of markets. The corporation continues to perform work on a number of commercial airframe manufacturing programs. However, the level of commercial air travel and lack of profitability in the domestic aircraft industry have caused a slowdown in aircraft production rates which is continuing to affect the segment's subcontract work. Although the corporation received a stop work order late in 1993 with respect to its manufacture of thrust reverser fixed structures for the GE CF6 engines, the corporation was able to continue to perform that work for Martin Marietta in 1994.

An important achievement in the segment's commercial diversification is the K-MAX (Registered Trademark) helicopter, a medium to heavy lift 'aerial truck' with operating characteristics that distinguish it from other helicopters for use in logging, fire fighting, reforestation, utility power line work, and other applications. A substantial portion of the corporation's research and development expenditures during the last three years have been devoted to this product. The helicopter received FAA Type Certification (Part 27) on August 30, 1994 and type approval by Transport Canada in November, 1994. Receipt of other foreign type approvals is anticipated for 1995. The first production lot of five (5) helicopters were completed

and deliveries were made to initial customers prior to year end under a special lease program that allows the corporation to maintain active involvement in the product's introduction to the marketplace. The next production lot is expected to consist of six (6) helicopters for sale to strategically located customers in the United States and abroad. Deliveries are already scheduled for Canada and Switzerland. Management believes that this program is an important part of the corporation's defense conversion effort, however, sales and profitability will take some time to achieve and in the shorter term the program is not expected to materially offset the effects of reduced defense spending.

Distribution segment revenues increased by 13% in 1994, 7% in 1993, and 6% in 1992. Industrial Distribution sales (about 75% of this segment's business in 1994) are made to nearly every sector of U.S. industry so demand for its products tends to be influenced by industrial production levels. Sales for 1994 benefitted from healthy domestic economic growth, although revenue increases were even stronger than the general rate of growth. Management believes that this increase is due, in part, to initiatives undertaken to address the needs of customers that desire to reduce their vendor base and expand "partnering" relationships with suppliers. Industrial Distribution's efforts include value added services in the advanced technology areas of electrical and electronic systems, materials handling and precision positioning systems. These measures, in combination with enhanced operating efficiencies attained during the past few years, resulted in increased market share for the industrial distribution business in 1994. Music Distribution sales increased significantly during 1994, largely as a result of further development of international markets for the company's products.

The corporation had an operating loss of $8.8 million and a net loss of $13.2 million for 1994, due to the fourth quarter pre-tax charge. In 1993, the corporation had an operating loss of $37.2 million and a net loss of $28.8 million, due to the restructuring charge of $69.5 million taken in the third quarter of that year. The Diversified Technologies segment had an operating loss of $17.2 million for 1994 compared to an operating loss of $41.3 million for 1993. The Distribution segment had operating income of $19.6 million for 1994 compared to $16.5 million for 1993, with the increase attributable largely to increased sales in the Industrial Distribution business. These results also reflect the fact that the overall mix of the corporation's activities is in the process of shifting to businesses with somewhat lower profit margins and an increase of 14.8% for Diversified Technologies research and development expenditures in 1994.

The third quarter 1993 charge reflects restructuring and other non-recurring costs in connection with the corporation's plan to reduce the size of its defense and commercial aircraft manufacturing business and implement defense conversion

initiatives. About sixty percent (60%) of the charge represents the write-off of costs incurred for development, retooling and start-up for defense conversion initiatives, notably the K-MAX helicopter. The balance relates to personnel and facility reductions, contract close-out and related expenses associated with downsizing the defense and commercial aircraft manufacturing business. Implementation of the plan proceeded during 1994 and will continue during 1995.

The corporation had an operating loss of $37.2 million and a net loss of $28.8 million for 1993 compared to operating income of $36.5 million and net earnings of $17.4 million for the year ended December 31, 1992. Diversified Technologies had an operating loss of $41.3 million for 1993 compared to an operating profit of $31.0 million for the previous year. The Distribution segment had operating profits of $16.5 million for 1993 compared to $15.2 million for 1992. The Diversified Technologies segment results were primarily attributable to the charge for restructuring and other costs, reductions in defense spending, research and development expenditures which increased by 3% for 1993 and 27% in 1992, and the ongoing shift in its business mix to products and services with somewhat lower profit margins. The Distribution segment's performance was primarily the result of increased sales and internal initiatives to increase the efficiency of operations.

The fully diluted earnings per share figure for 1994 and 1993 do not reflect the potential conversion of the 6% convertible subordinated debentures, potential conversion of the corporation's new Series 2 preferred stock (issued in the fourth quarter of 1993) or the exercise of stock options, since their effect was anti-dilutive. Fully diluted earnings per share figures for 1992 include the potential conversion of the debentures and exercises since they were dilutive.

Interest expense decreased 33% for 1994 compared to 1993 and was relatively flat in 1993 compared to 1992. The corporation had slightly higher average bank borrowings during 1994, however, total debt and interest expense was significantly lower in 1994 as a result of the exchange of Series 2 preferred stock for the majority of the outstanding 6% convertible subordinated debentures during the fourth quarter of 1993. Interest expense in 1993 was also affected by the aforementioned exchange.

The corporation had other income in 1993 principally due to the gain realized upon the exchange of the debentures.

The corporation recorded an income tax benefit on its loss before income taxes at an overall rate of 7.1% for 1994, due primarily to a state income tax refund. The fourth quarter 1994 charge would have probably resulted in a higher income tax benefit, except for the fact that a substantial portion of the goodwill

balance is non-deductible. The corporation recorded an income tax benefit of 28.9% for 1993 (due primarily to the 1993 restructuring charge), while the consolidated effective income tax rate was 40.1% for 1992.

Effective January 1, 1993, the corporation adopted Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes. The cumulative effect of this change in accounting for income taxes determined as of January 1, 1993 was immaterial to the consolidated statements of earnings. On that date, the corporation also adopted Statement of Financial Accounting Standards No. 106 concerning rules for certain post-retirement benefits. Retirees are generally responsible for the cost of their post-retirement benefits, therefore, adoption of this statement did not result in any material adjustment to or disclosure in the consolidated financial statements. Finally, on January 1, 1993, the corporation adopted Statement of Financial Accounting Standards No. 112 concerning accounting for certain post-employment benefits. Adoption of this statement did not result in any material adjustment to or disclosure in the consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES

The corporation's cash flow from operations has generally been sufficient to finance a significant portion of its working capital and other capital requirements.

For general borrowing purposes, the corporation has maintained revolving credit agreements involving several banks located in the United States, Canada, and Europe. In July 1994, the corporation entered into amended and restated revolving credit agreements which replaced the previous agreements and increased the corporation's maximum unsecured line of credit from $145 million to $200 million. The agreements each have a term of five years and contain provisions permitting the term to be extended for additional one-year periods upon concurrence of the parties. The agreements also contain various covenants, including debt to capitalization and consolidated net worth requirements. There were no borrowings under these agreements during 1994 or 1993.

The corporation also maintains other short-term credit arrangements with various banks. As of December 31, 1994, these borrowings were at $52.7 million. For the year ended December 31, 1994, average bank borrowings against these short-term arrangements were $45.5 million compared to $43.2 million for 1993.

In June, 1994, the corporation's board of directors authorized a renewal ('the 1994 program') of the stock repurchase program which was authorized in 1992 (`the 1992 program'). Under the 1994 program, the corporation may repurchase up to 700,000 Class A

shares in addition to the shares remaining authorized under the 1992 program. As of December 31, 1994, a total of 188,000 Class A shares had been repurchased pursuant to the 1994 program. The primary purpose of the stock repurchase program is to meet the needs of the Employees Stock Purchase Plan and Stock Incentive Plan.

During the third quarter of 1993, the corporation made an offer pursuant to which holders of its 6% convertible subordinated debentures might exchange them for the corporation's newly created Series 2 preferred stock. The purpose of the offer was to increase the corporation's equity capital while reducing its indebtedness. On October 22, 1993 the corporation issued $57.2 million of preferred stock (representing 285,837 shares of preferred stock or 1,143,348 depositary shares) in exchange for $61.8 million of debentures (66.73% of the amount actually tendered). The preferred stock is convertible to Class A common stock at a price of $12.56 per share and has a 6.5% cumulative dividend rate. The corporation recorded a net gain of $3 million as a result of the exchange. While the transaction was favorable to the corporation from a debt to equity standpoint, it resulted in further dilution of outstanding common stock in the event of conversion of the preferred stock and some dilution of the earnings that would otherwise be available for common shareholders.

Management believes that the corporation's cash flow from operations and available unused bank lines of credit under its revolving credit agreements will be sufficient to finance its working capital and other capital requirements for the foreseeable future.

SELECTED QUARTERLY FINANCIAL DATA
(In thousands except per share amounts)

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL YEAR
Net sales:					
1994...........	$197,583	$208,625	$198,933	$214,041	$819,182
1993...........	197,598	194,553	202,488	197,871	792,510
Gross profit:					
1994...........	$ 52,351	$ 53,034	$ 52,183	$ 51,444	$209,012
1993...........	53,301	52,128	48,845	49,999	204,273
Net earnings (loss):					
1994...........	$ 4,240	$ 4,596	$ 4,901	$(26,918)	$(13,181)
1993...........	4,012	4,779	(42,499)	4,913	(28,795)
Per common share--primary:					
1994...........	$.18	$.20	$.22	$(1.53)	$(.93)
1993...........	.22	.26	(2.36)	.23	(1.63)
Per common share--fully diluted:					
1994...........	$.18	$.20	$.22	$(1.53)	$(.93)
1993...........	.22	.25	(2.36)	.23	(1.63)

Gross profit for 1994 and 1993 excludes the effect of restructuring, impairment and other costs.

The conversion of the convertible subordinated debentures (and to the extent applicable the Series 2 preferred stock) along with the exercise of the stock options were not assumed in the net loss per common share--primary and fully diluted calculations for the fourth quarter of and year 1994 and third quarter of and year 1993 because they had an anti-dilutive effect. As a result, the quarterly per common share amounts when added together do not equal the total for the year 1993.

CONSOLIDATED BALANCE SHEETS
Kaman Corporation and Subsidiaries
December 31, 1994 and 1993
(In thousands except share and per share amounts)

	1994	1993
ASSETS		
CURRENT ASSETS:		
Cash	$ 3,711	$ 3,845
Accounts receivable	146,411	165,615
Inventories	160,224	130,451
Deferred income taxes	21,041	11,929
Other current assets	7,625	4,761
Total current assets	339,012	316,601
PROPERTY, PLANT AND EQUIPMENT, NET	84,621	81,711
GOODWILL, NET	8,486	29,438
OTHER ASSETS	10,830	12,446
	$442,949	$440,196
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable	$ 52,659	$ 31,161
Current portion of long-term debt	659	704
Accounts payable--trade	54,561	51,246
Accrued salaries and wages	9,609	6,338
Accrued vacations	6,350	6,454
Accrued restructuring and other costs	27,650	32,500
Other accruals and payables	40,416	35,023
Income taxes payable	978	3,339
Total current liabilities	192,882	166,765

CONSOLIDATED BALANCE SHEETS
Kaman Corporation and Subsidiaries
December 31, 1994 and 1993
(In thousands except share and per share amounts)
(continued)

	1994	1993
DEFERRED CREDITS	8,880	7,141
LONG-TERM DEBT, EXCLUDING CURRENT PORTION	37,433	37,977
SHAREHOLDERS' EQUITY:		
Capital stock, $1 par value per share:		
Preferred stock, authorized 700,000 shares:		
Series 2 preferred stock, 6-1/2% cumulative convertible (stated at liquidation preference of $200 per share) authorized 500,000 shares, issued 285,837 shares in 1994 and 1993	57,167	57,167
Common stock:		
Class A, authorized 48,500,000 shares, nonvoting; $.10 per common share dividend preference; issued 17,600,381 shares in 1994 and 1993	17,600	17,600
Class B, authorized 1,500,000 shares, voting; issued 667,814 shares in 1994 and 1993	668	668
Additional paid-in capital	17,853	18,459
Retained earnings	112,592	137,490
Unamortized restricted stock awards	(744)	(968)
Equity adjustment from foreign currency translation.	(444)	(158)
	204,692	230,258
Less 95,479 shares and 174,407 shares of Class A common stock in 1994 and 1993, respectively, held in treasury, at cost	(938)	(1,945)
Total shareholders' equity	203,754	228,313
	$442,949	$440,196

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS
Kaman Corporation and Subsidiaries
Years ended December 31, 1994, 1993 and 1992
(In thousands except per share amounts)

	1994	1993	1992
REVENUES:			
Net sales	$819,182	$792,510	$782,850
Other	1,592	1,582	1,882
	820,774	794,092	784,732
COSTS AND EXPENSES:			
Cost of sales	611,762	588,237	583,638
Selling, general and administrative expense	173,853	173,581	164,603
Interest expense	4,694	6,976	7,086
Restructuring, impairment and other costs	44,000	69,500	--
Other expense (income)	646	(3,728)	401
	834,955	834,566	755,728
EARNINGS (LOSS) BEFORE INCOME TAXES	(14,181)	(40,474)	29,004
INCOME TAXES (BENEFIT)	(1,000)	(11,679)	11,628
NET EARNINGS (LOSS)	$(13,181)	$(28,795)	$17,376
PREFERRED STOCK DIVIDEND REQUIREMENT	$ (3,716)	$ (702)	$ ---
EARNINGS (LOSS) APPLICABLE TO COMMON STOCK	$(16,897)	$(29,497)	$17,376
PER SHARE:			
Net earnings (loss) per common share:			
Primary	$(.93)	$(1.63)	$.95
Fully diluted	(.93)	(1.63)	.93
Dividends declared:			
Series 2 preferred stock	13.00	1.37	--
Common stock	.44	.44	.44

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Kaman Corporation and Subsidiaries
Years ended December 31, 1994, 1993 and 1992
(In thousands except share amounts)

	1994	1993	1992
SERIES 2 PREFERRED STOCK:			
Balance--beginning of year	$ 57,167	$ --	$ --
Shares issued	--	57,167	--
Balance--end of year	57,167	57,167	--
CLASS A COMMON STOCK	17,600	17,600	17,600
CLASS B COMMON STOCK	668	668	668
ADDITIONAL PAID-IN CAPITAL:			
Balance--beginning of year	18,459	19,343	19,686
Employee stock plans	(611)	(409)	(329)
Restricted stock awards	5	(75)	(14)
Exps. relating to issuance of preferred stock	--	(400)	--
Balance--end of year	17,853	18,459	19,343
RETAINED EARNINGS:			
Balance--beginning of year	137,490	174,607	165,218
Net earnings (loss)	(13,181)	(28,795)	17,376
Dividends declared:			
Preferred stock	(3,716)	(392)	--
Common stock	(8,001)	(7,930)	(7,987)
Balance--end of year	112,592	137,490	174,607
UNAMORTIZED RESTRICTED STOCK AWARDS:			
Balance--beginning of year	(968)	(1,008)	(1,003)
Stock awards issued	(119)	(323)	(356)
Amortization of stock awards	343	363	351
Balance--end of year	(744)	(968)	(1,008)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Kaman Corporation and Subsidiaries
Years ended December 31, 1994, 1993 and 1992
(In thousands except share amounts)
(Continued)

	1994	1993	1992
EQUITY ADJUSTMENT FROM FOREIGN CURRENCY TRANSLATION:			
Balance--beginning of year..................	(158)	52	33
Translation adjustment......................	(286)	(210)	19
Balance--end of year........................	(444)	(158)	52
TREASURY STOCK:			
Balance--beginning of year..................	(1,945)	(1,727)	(52)
Shares acquired in 1994--193,399; 1993--315,961; 1992--444,280..............	(1,847)	(3,520)	(4,382)
Shares reissued under various stock plans...	2,854	3,302	2,707
Balance--end of year........................	(938)	(1,945)	(1,727)
TOTAL SHAREHOLDERS' EQUITY....................	$203,754	$228,313	$209,535

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
Kaman Corporation and Subsidiaries
Years ended December 31, 1994, 1993 and 1992
(In thousands)

	1994	1993	1992
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings (loss)	$(13,181)	$(28,795)	$ 17,376
Adjustments to reconcile net earnings (loss) to cash provided by (used in) operating activities:			
Depreciation and amortization	13,053	13,456	13,373
Net gain on exchange of debentures	--	(3,037)	--
Restructuring, impairment and other costs	44,000	69,500	--
Deferred income taxes	(7,062)	(19,679)	(4,500)
Other, net	1,999	937	1,009
Changes in current assets and liabilities:			
Accounts receivable	19,204	13,058	(8,304)
Inventories	(44,273)	(22,155)	(8,388)
Other current assets	(2,864)	(229)	(638)
Accounts payable--trade	3,315	(8,063)	7,934
Accrued expenses and payables	892	(7,614)	(4,398)
Income taxes payable	(2,361)	(248)	622
Cash provided by (used in) operating activities	12,722	7,131	14,086
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment and other assets	195	1,014	515
Expenditures for property, plant and equipment	(21,581)	(20,428)	(10,562)
Other, net	(482)	689	(299)
Cash provided by (used in) investing activities	(21,868)	(18,725)	(10,346)

CONSOLIDATED STATEMENTS OF CASH FLOWS
Kaman Corporation and Subsidiaries
Years ended December 31, 1994, 1993 and 1992
(In thousands)
(Continued)

	1994	1993	1992
CASH FLOWS FROM FINANCING ACTIVITIES:			
Changes in notes payable....................	21,498	23,493	7,331
Changes in current portion of long-term debt	(45)	(59)	(390)
Reduction of long-term debt.................	(834)	(1,108)	(1,164)
Proceeds from exercise of employee stock plans	2,128	2,500	2,008
Purchases of treasury stock.................	(1,847)	(3,520)	(4,382)
Dividends paid--Series 2 preferred stock....	(3,716)	(392)	--
Dividends paid--common stock................	(8,001)	(7,930)	(7,987)
Other, net..................................	(171)	--	--
Cash provided by (used in) financing activities................	9,012	12,984	(4,584)
NET INCREASE (DECREASE) IN CASH...............	(134)	1,390	(844)
CASH AT BEGINNING OF YEAR.....................	3,845	2,455	3,299
CASH AT END OF YEAR...........................	$ 3,711	$ 3,845	$ 2,455

SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES:
On October 22, 1993, the corporation exchanged $61,804 of its 6% convertible subordinated debentures for $57,167 of its new Series 2 preferred stock.

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 1994, 1993, and 1992
(In thousands except share and per share amounts)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION The accompanying consolidated financial statements include the accounts of the parent corporation and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

LONG-TERM CONTRACTS--REVENUE RECOGNITION Certain sales are made under fixed price and cost reimbursement type contracts. Estimated profits under such contracts are recorded concurrently with costs incurred thereon on the basis of percentage of completion. Any anticipated total contract losses are charged to operations during the period the loss is first indicated. Profits and losses accrued include the cumulative effect of changes in prior periods' price and cost estimates.

INVENTORIES Inventory of merchandise for resale is stated at cost (using the average costing method) or market, whichever is lower. Contracts and work in process and finished goods are valued at production cost represented by material, labor and overhead, including general and administrative expenses where applicable. Contracts and work in process and finished goods are not recorded in excess of net realizable values.

PROPERTY, PLANT AND EQUIPMENT Depreciation of property, plant and equipment is computed primarily on a straight-line basis over the estimated useful lives of the assets. At the time of retirement or disposal, the acquisition cost of the asset and related accumulated depreciation are eliminated and any gain or loss is credited or charged against income.

Maintenance and repair items are charged against income as incurred, whereas renewals and betterments are capitalized and depreciated.

GOODWILL Amortization of goodwill is calculated on a straight-line method over its estimated useful life but not in excess of forty years. Such amortization amounted to $1,318 in 1994, $1,268 in 1993 and $1,265 in 1992.

At each balance sheet date, the corporation evaluates the carrying value of goodwill based upon its assessment of the forecasted future operations (including interest expense) and other factors for each subsidiary having a material goodwill

balance. Based upon management's most recent analysis, the corporation wrote-down goodwill relating to its investment in Raymond Engineering in the amount of $20,500 during the fourth quarter of 1994.

Accumulated amortization, excluding the write-down, amounted to $3,544 at December 31, 1994.

RESEARCH AND DEVELOPMENT Research and development costs not specifically covered by contracts are charged against income as incurred. Such costs amounted to $21,062 in 1994, $18,350 in 1993 and $17,778 in 1992.

INCOME TAXES The corporation adopted Statement of Financial Accounting Standards No. 109 (SFAS 109), Accounting for Income Taxes, effective January 1, 1993. Under the asset and liability method prescribed by SFAS 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases using enacted tax rates expected to apply in the years in which temporary differences are expected to be recovered or settled. Prior to adopting SFAS 109, deferred income taxes were recorded for differences in the recognition of items of income and expense for financial and tax reporting purposes using the tax rates applicable in the year of the calculation.

RESTRUCTURING, IMPAIRMENT AND OTHER COSTS

The corporation recorded pre-tax charges in 1994 and 1993, both reflecting its strategy for addressing trends in U.S. defense planning and spending priorities. Specifically, in 1994 the corporation recorded charges of $44.0 million before taxes ($32.1 million after taxes or $1.76 per common share); in 1993, the charge was $69.5 million before taxes ($45.5 million after taxes or $2.52 per common share).

The 1994 fourth quarter charge of $44.0 million represents a write-down of the corporation's investment in Raymond Engineering, a diversified technologies subsidiary, in anticipation of a reduction in the size of its operation and certain of its product lines, and its merger into Kaman Aerospace, another Kaman subsidiary. When fully implemented, the consolidation is expected, on an overall basis, to result in reduced overheads and enhanced administrative and operational efficiency. This will assist the merged organization in positioning itself to compete more effectively in a defense environment which seems increasingly likely to favor the use of commercial technology products where possible. Approximately seventy percent (70%) of the charge represents the write-down of impaired assets, including goodwill, facilities and equipment, and inventories. A variety of factors have contributed to the

impairment of Raymond's assets. These include defense spending reductions, changes in defense planning and spending priorities, and more recently, technological evolution in certain product areas where Raymond has done business. In order for Raymond to compete in these product areas in the future, varying levels of investment in technological development would be required. In the fourth quarter of 1994, the corporation determined that it was not economically feasible to make such investments in those products which are unable to demonstrate potential for success. Consequently, the corporation's best estimate of Raymond's forecasted future operations, including interest expense, is that they do not support the recoverability of goodwill and a certain amount of facilities and equipment, which has resulted in the write-down of approximately $25,500 for these items. In addition, inventories whose cost is not expected to be recovered have been written down to estimated net realizable value during the fourth quarter. The remainder of the charge relates to personnel reductions and other expenses associated with downsizing Raymond's business. The majority of work force reductions involve management and administrative employees whose functions are redundant to the merged organization. Severance payments of approximately $2,500 are to be made in accordance with Raymond's written severance pay policy and, in certain cases, individually negotiated agreements. Other expenses include contract close-out costs of $6,500 and related expenses of $4,000 which will not benefit the continuing activities of the merged organization.

The 1993 third quarter charge of $69.5 million represented restructuring and other costs in connection with its plan to reduce the size of its defense and commercial aircraft manufacturing business and develop defense conversion initiatives. About sixty percent (60%) of the charge represents the write-off of costs for development, retooling, and start-up of the conversion initiatives, notably K-MAX (Registered Trademark). The balance relates to personnel and facility reductions, contract close-out and related expenses associated with the downsizing of the defense and commercial manufacturing businesses.

EXCHANGE OF CONVERTIBLE SUBORDINATED DEBENTURES

On October 22, 1993, pursuant to an exchange offer to all debentureholders, the corporation exchanged $57,167 of its new 6-1/2% cumulative convertible Series 2 preferred stock (convertible into Class A common stock at $12.56 per share) for $61,804 of its 6% convertible subordinated debentures. The pre-tax gain on the exchange of the debentures was $3,037 net of expenses of approximately $1,600. Additional issuance expenses of $400 were charged directly to additional paid-in capital.

ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	December 31, 1994	1993
Trade receivables, net of allowance for doubtful accounts of $1,665 in 1994, $1,576 in 1993	$ 66,477	$ 57,568
U.S. Government contracts:		
Billed	36,407	42,235
Recoverable costs and accrued profit--not billed	19,585	34,072
Commercial contracts:		
Billed	12,004	11,781
Recoverable costs and accrued profit--not billed	11,938	19,959
Total	$146,411	$165,615

Recoverable costs and accrued profit--not billed represent costs incurred on contracts, including contract retentions, which will become billable upon future deliveries or completion of engineering and service type contracts. Management estimates that approximately $8,298 of such costs and accrued profits at December 31, 1994 will be collected after one year.

INVENTORIES

Inventories are comprised as follows:

	December 31, 1994	1993
Merchandise for resale	$ 96,918	$ 91,495
Contracts in process:		
U.S. Government	10,834	9,122
Commercial	2,376	5,356
Other work in process (including certain general stock material and parts)	32,814	24,478
Finished goods	17,282	--
Total	$160,224	$130,451

Progress payments of approximately $2,683 and $7,100 were netted against contracts in process at December 31, 1994 and 1993, respectively.

Finished goods inventory consists of five K-MAX (Registered Trademark) helicopters being used by initial customers under a special lease program.

The aggregate amounts of general and administrative costs allocated to inventories during 1994, 1993 and 1992 were $50,437, $57,654 and $54,277 respectively.

The estimated amounts of general and administrative costs remaining in inventories at December 31, 1994 and 1993 amount to $8,066 and $5,141, respectively, and are based on the ratio of such allocated costs to total costs incurred.

PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment are recorded at cost and summarized as follows:

	December 31, 1994	December 31, 1993
Land	$ 8,521	$ 8,744
Buildings	57,383	55,047
Leasehold improvements	13,123	13,214
Machinery, office furniture and equipment	104,376	98,765
Total	183,403	175,770
Less accumulated depreciation and amortization	98,782	94,059
Property, plant and equipment, net	$ 84,621	$ 81,711

CREDIT ARRANGEMENTS--
SHORT-TERM BORROWINGS AND LONG-TERM DEBT

SHORT-TERM BORROWINGS The corporation has arrangements with several banks to borrow funds on a short-term basis with interest at current market rates. There were borrowings of $52,659 outstanding under these arrangements at December 31, 1994.

LONG-TERM DEBT The corporation has long-term debt as follows:

	December 31, 1994	1993
Unsecured notes:		
Revolving credit agreements	$ --	$ --
Convertible subordinated debentures	33,191	33,191
Other obligations	4,901	5,490
Total	38,092	38,681
Less current portion	659	704
Total excluding current portion	$37,433	$37,977

REVOLVING CREDIT AGREEMENTS The corporation has two revolving credit agreements involving several domestic and foreign lenders. The agreements provide an aggregate maximum commitment of $200,000 and each agreement expires in 1999. Interest under both agreements is payable at various market rates.

CONVERTIBLE SUBORDINATED DEBENTURES The corporation issued $95,000 of its 6% convertible subordinated debentures during 1987. The debentures are convertible into shares of the Class A common stock of Kaman Corporation at any time on or before March 15, 2012 at a conversion price of $23.36 per share at the option of the holder unless previously redeemed by the Corporation. Pursuant to a sinking fund requirement beginning March 15, 1997, the corporation will redeem 5% of the outstanding principal amount of the debentures annually. The debentures are subordinated to the claims of senior debt holders and general creditors. The corporation exchanged $61,804 of these debentures for its new Series 2 preferred stock on October 22, 1993. The remaining debentures have a fair value of $24,561 at December 31, 1994 based upon current market prices.

OTHER OBLIGATIONS These obligations consist primarily of notes issued by the corporation to industrial and economic development authorities in connection with the issuance of their bonds in similar amounts. The proceeds were used by the corporation to finance certain of its building construction within the regions of the authorities. These obligations are secured by mortgages and generally have interest rates and payment terms more favorable than conventional financing.

LONG-TERM DEBT ANNUAL MATURITIES The aggregate amounts of annual maturities of long-term debt for each of the next five years are approximately as follows:

1995	$ 659
1996	709
1997	2,373
1998	2,350
1999	2,248

RESTRICTIVE COVENANTS The most restrictive of the covenants contained in the loan agreements require the corporation to have operating income, as defined, at least equal to 250% of interest expense, consolidated total indebtedness to total capitalization to be less than 45% and consolidated net worth at least equal to $200,000 at December 31, 1994.

INTEREST PAYMENTS Cash payments for interest were $4,572, $8,092 and $7,103 for 1994, 1993 and 1992, respectively.

INCOME TAXES

The corporation adopted Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes, effective January 1, 1993. The cumulative effect of this change in accounting for income taxes determined as of January 1, 1993 was immaterial to the consolidated statements of earnings.

The components of income taxes are as follows:

	1994	1993	1992
Current:			
Federal	$ 6,362	$ 6,250	$12,401
State	(300)	1,750	3,727
	6,062	8,000	16,128
Deferred:			
Federal	(5,762)	(17,929)	(3,500)
State	(1,300)	(1,750)	(1,000)
	(7,062)	(19,679)	(4,500)
Total	$(1,000)	$(11,679)	$11,628

Deferred income taxes are recorded for differences in the recognition of certain items of income and expense for financial and tax reporting purposes. The sources of these differences and the tax effect of each are as follows:

	1994	1993	1992
Depreciation and amortization	$(2,319)	$(1,402)	$(1,328)
Long-term contracts	(170)	2,619	(2,742)
Restructuring, impairment and other costs	600	(20,650)	--
Inventory	(3,418)	1,304	250
Deferred employee benefits	(835)	(1,698)	(169)
Other items	(920)	148	(511)
Total	$(7,062)	$(19,679)	$(4,500)

The components of the deferred tax assets and deferred tax liabilities are presented below:

	December 31, 1994	1993
Deferred tax assets:		
Long-term contracts	$1,908	$1,739
Deferred employee benefits	7,093	6,258
Restructuring, impairment and other costs	20,050	20,650
Inventory	2,121	--
Accrued liabilities and other items	6,678	5,378
Total deferred tax assets	37,850	34,025
Deferred tax liabilities:		
Depreciation and amortization	(6,319)	(8,638)
Inventory	--	(1,297)
Other items	(3,040)	(2,661)
Total deferred tax liabilities	(9,359)	(12,596)
Net deferred tax asset	$28,491	$21,429

No valuation allowance has been recorded because the corporation believes that these deferred tax assets will, more likely than not, be realized. This determination is based largely upon the corporation's historical earnings trend as well as its ability to carryback reversing items within three years to offset taxes paid. In addition, the corporation has the ability to offset deferred tax assets against deferred tax liabilities created for such items as depreciation and amortization.

The provisions for federal income taxes approximate the amounts computed by applying the U.S. federal income tax rate to earnings (loss) before income taxes after giving effect to state income taxes. The federal tax provision has been reduced by $4,600 in 1994 as a result of the non-deductible portion of the write-down of goodwill. The federal tax benefit in 1993 has been reduced $1,800 to provide for prior years' tax examinations. Cash payments for income taxes were $8,255, $7,988 and $15,708 in 1994, 1993 and 1992, respectively.

PENSION PLAN

The corporation has a non-contributory defined benefit pension plan covering all of its full-time employees. Benefits under this plan are based upon an employee's years of service and compensation levels during employment and there is an offset provision for social security benefits. It is the corporation's policy to fund pension costs accrued. Plan assets are invested in a diversified portfolio consisting of equity and fixed income securities (including $8,388 of Class A common stock of Kaman Corporation at December 31, 1994).

The pension plan costs were computed using the projected unit credit actuarial cost method and include the following components:

	1994	1993	1992
Service cost for benefits earned during the year	$ 9,636	$ 8,661	$ 8,249
Interest cost on projected benefit obligation	16,558	15,900	14,747
Actual return on plan assets	(1,848)	(21,498)	(13,991)
Net amortization and deferral	(17,543)	2,200	(3,929)
Net pension cost	$ 6,803	$ 5,263	$ 5,076

The funded status of the pension plan is as follows:

	December 31, 1994	1993
Actuarial present value of accumulated benefit obligation:		
Vested benefits	$200,745	$192,753
Non-vested benefits	2,153	2,572
Total	$202,898	$195,325
Actuarial present value of projected benefit obligation	$233,312	$224,870
Plan assets at fair value	226,054	228,439
Excess (deficiency) of assets over projected benefit obligation	(7,258)	3,569
Unrecognized prior service cost	(621)	350
Unrecognized net loss	18,503	9,466
Unrecognized net transition asset	(12,976)	(14,829)
Accrued pension cost	$ 2,352	$ 1,444

The actuarial assumptions used in determining the funded status of the pension plan are as follows:

	December 31, 1994	1993
Discount rate	8%	7 1/2%
Average rate of increase in compensation levels	5%	4 1/2%

The expected long-term rates of return on plan assets used to compute the net periodic pension costs were 9% for 1994 and 9 1/4% for 1993.

COMMITMENTS AND CONTINGENCIES

Rent commitments under various leases for office space, warehouse, land and buildings expire at varying dates from January 1995 to December 2008. Certain annual rentals are subject to renegotiation, with certain leases renewable for varying periods. Lease periods for machinery and equipment vary from 1 to 7 years.

Substantially all real estate taxes, insurance and maintenance expenses are obligations of the corporation. It is expected that in the normal course of business, leases that expire will be renewed or replaced by leases on other properties.

The following future minimum rental payments are required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of December 31, 1994:

1995	$10,091
1996	6,704
1997	4,700
1998	3,207
1999	2,528
Later years	4,426
Total	$31,656

Lease expense for all operating leases, including leases with terms of less than one year, amounted to $14,150, $15,172 and $15,221 for 1994, 1993 and 1992, respectively.

From time to time, the corporation is subject to various claims and suits arising out of the ordinary course of business, including commercial, employment and environmental matters. While the ultimate result of all such matters is not presently determinable, based upon its current knowledge, management does not expect that their resolution will have a material adverse effect on the corporation's consolidated financial position.

COMPUTATION OF EARNINGS (LOSS)
PER COMMON SHARE

The primary earnings (loss) per common share computation is based on the weighted average number of shares of common stock outstanding in 1994, 1993 and 1992 and includes the common stock equivalency of options granted to employees under the stock incentive plan. The fully diluted earnings per share computation also assumes that the 6% convertible subordinated debentures were converted at their date of issuance with the resultant reduction in interest costs net of tax and the additional dilutive effect of the stock options.

Subsequent to the exchange of debentures for Series 2 preferred stock on October 22, 1993, the corporation added the preferred stock dividend requirement to its net loss to arrive at net loss applicable to common stock to calculate its loss per common share--primary for 1994 and 1993. In addition, in order to determine the fully diluted loss per common share, it is assumed that the Series 2 preferred stock would be converted into Class A common stock from its date of issuance and the preferred stock dividend requirement eliminated.

Due to the net loss during 1994 and 1993, however, the dilutive effect from conversion of the outstanding 6% convertible subordinated debentures and the Series 2 preferred stock is anti-dilutive and accordingly not included in the computation.

EMPLOYEES STOCK PURCHASE PLAN

The Kaman Corporation Employees Stock Purchase Plan allows employees to purchase Class A common stock of the corporation, through payroll deductions, at 85% of the market value of shares at the time of purchase. The plan provides for the grant of rights to employees to purchase a maximum of 1,500,000 shares of Class A common stock of the corporation commencing July 1, 1989. There are no charges or credits to income in connection with the plan. During 1994, 248,223 shares were issued to employees at prices ranging from $7.54 to $8.61 per share. During 1993, 241,808 shares were issued to employees at prices ranging from $7.86 to $9.78 per share. During 1992, 226,296 shares were issued to employees at prices ranging from $7.33 to $8.82 per share. Effective November 1, 1993, the maximum number of shares available for issuance under the Plan was replenished to 1,500,000 shares. At December 31, 1994, there were approximately 1,209,000 shares available for offering under the plan.

STOCK INCENTIVE PLAN

On September 20, 1993, the corporation adopted the 1993 Stock Incentive Plan--to be effective November 1, 1993. The 1993 Plan includes a continuation and extension of the stock incentive program of the corporation set forth in the 1983 Stock Incentive Plan which terminated on October 31, 1993.

The 1993 Plan provides for the grant of non-statutory stock options, incentive stock options, restricted stock awards and stock appreciation rights primarily to officers and other key employees. The corporation has designated 962,199 shares of its Class A common stock for this plan, including 2,199 shares previously reserved under the 1983 plan.

Stock options are generally granted at prices not less than the fair market value at the date of grant. Options granted under the plan generally expire ten years from the date of grant and are exercisable on a cumulative basis with respect to 20% of the optioned shares on each of the five anniversaries from the date of grant. Restricted stock awards are generally granted with restrictions that lapse at the rate of 20% per year and are amortized accordingly. These awards are subject to forfeiture if a recipient separates from service with the corporation. Stock appreciation rights generally expire ten years from the date of grant and are exercisable on a cumulative basis with respect to 20% of the rights on each of the five anniversaries from the date of grant.

At December 31, 1994, there were outstanding options issued under the plan for the purchase of 864,589 shares at prices ranging from $7.50 to $13.83 per share. As of that date options covering

522,519 shares were exercisable at $7.50 to $13.83 per share. Options for 12,104, 37,929 and 16,550 shares were exercised during 1994, 1993 and 1992, respectively, at prices ranging from $7.50 to $9.88 per share. Restricted stock awards were made for 12,000 shares at $9.94 per share in 1994, 34,000 shares at $9.50 per share in 1993 and 36,000 shares at $9.88 per share in 1992. At December 31, 1994, there were 87,800 shares remaining subject to restrictions pursuant to these awards. No stock appreciation rights have been issued under the plan.

SEGMENT INFORMATION

The corporation serves government, industrial and commercial markets through two industry segments--Diversified Technologies and Distribution.

Through its diversified technologies operations, the corporation provides a range of technical professional services involving either advanced information technologies or high technology science and engineering to government and industrial customers; advanced technology products such as electromagnetic motors, safety and fusing systems; sliding bearings, and non-contact measuring systems for military and industrial customers; commercial airframe subcontracting programs, and manufacturing work along with spare parts and logistics for the SH-2 helicopter for the U.S. Navy. The K-MAX (Registered Trademark) helicopter program, a significant commercial effort for the corporation, is included in the Diversified Technologies segment. The Diversified Technologies' segment operating loss for 1994 reflects the effect of the $44.0 million fourth quarter charge associated with the write-down of the investment in Raymond Engineering, its merger into Kaman Aero space, and the downsizing of Raymond's business. In addition, the Diversified Technologies' segment operating loss for 1993 includes the impact of the $69,500 charge for restructuring and other costs accrued in the third quarter to address various downsizing and product conversion efforts.

Through its distribution operations, the corporation supplies nearly every sector of industry with industrial replacement parts (including bearings, power transmission equipment, fluid power, linear motion, and materials handling items) as well as industrial engineering and systems services. Operations are conducted from approximately 150 service centers located in 29 states and British Columbia, Canada. Music operations manufacture and distribute musical instruments and accessories in the United States and abroad through domestic, Canadian and U.K. based offices.

Summarized financial information by business segment is as follows:

	1994	1993	1992
Net sales:			
Diversified Technologies	$310,279	$341,621	$359,432
Distribution	508,903	450,889	423,418
	$819,182	$792,510	$782,850
Operating profit (loss):			
Diversified Technologies	$(17,226)	$(41,346)	$31,009
Distribution	19,558	16,521	15,205
	2,332	(24,825)	46,214
Interest, corporate and other income/expense, net	16,513	15,649	17,210
Earnings (loss) before income taxes	$(14,181)	$(40,474)	$29,004
Identifiable assets:			
Diversified Technologies	$236,239	$252,450	$268,353
Distribution	198,145	177,608	165,623
Corporate	8,565	10,138	9,469
	$442,949	$440,196	$443,445
Capital expenditures:			
Diversified Technologies	$ 17,396	$ 13,678	$ 6,698
Distribution	3,732	6,207	3,578
Corporate	453	543	286
	$ 21,581	$ 20,428	$ 10,562
Depreciation and amortization:			
Diversified Technologies	$ 9,307	$ 9,439	$ 8,998
Distribution	2,946	3,197	3,616
Corporate	800	820	759
	$ 13,053	$ 13,456	$ 13,373

Operating profit (loss) is total revenues less cost of sales and selling, general and administrative expense (including restructuring, impairment and other costs in 1994 and 1993) other than general corporate expense.

Identifiable assets are year-end assets at their respective net carrying value segregated as to industry segment and corporate use. Corporate assets are principally cash and net property, plant and equipment.

Net sales by the Diversified Technologies segment made under contracts with U.S. Government agencies account for $249,854 in 1994, $279,530 in 1993 and $260,823 in 1992.

REPORT OF INDEPENDENT AUDITORS

KPMG PEAT MARWICK LLP
Certified Public Accountants
CityPlace II
Hartford, Connecticut 06103

THE BOARD OF DIRECTORS AND SHAREHOLDERS
KAMAN CORPORATION:

We have audited the accompanying consolidated balance sheets of Kaman Corporation and subsidiaries as of December 31, 1994 and 1993, and the related consolidated statements of earnings, changes in shareholders' equity and cash flows for each of the years in the three year period ended December 31, 1994. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Kaman Corporation and subsidiaries at December 31, 1994 and 1993 and the results of their operations and their cash flows for each of the years in the three year period ended December 31, 1994 in conformity with generally accepted accounting principles.

/s/ KPMG Peat Marwick LLP

January 25, 1995

FIVE-YEAR SELECTED FINANCIAL DATA
Kaman Corporation and Subsidiaries
(In thousands except per share amounts, shareholders and employees)

	1994	1993	1992	1991	1990
OPERATIONS:					
Revenues	$820,774	$794,092	$784,732	$780,357	$826,583
Cost of sales	611,762	588,237	583,638	582,641	623,042
Selling, general and administrative expense	173,853	173,581	164,603	160,824	159,775
Restructuring, impairment and other costs	44,000	69,500	--	--	---
Operating income (loss)	(8,841)	(37,226)	36,491	36,892	43,766
Interest expense	4,694	6,976	7,086	8,191	11,268
Other expense (income)	646	(3,728)	401	359	(280)
Earnings (loss) before income taxes	(14,181)	(40,474)	29,004	28,342	32,778
Income taxes (benefit)	(1,000)	(11,679)	11,628	11,375	13,553
Net earnings (loss)	(13,181)	(28,795)	17,376	16,967	19,225
FINANCIAL POSITION:					
Current assets	$339,012	$316,601	$334,581	$309,970	$327,030
Current liabilities	192,882	166,765	122,015	110,916	116,710
Working capital	146,130	149,836	212,566	199,054	210,320
Property, plant and equipment, net	84,621	81,711	73,262	75,233	79,128
Total assets	442,949	440,196	443,445	421,866	443,739
Long-term debt	37,433	37,977	100,889	102,053	123,207
Shareholders' equity	203,754	228,313	209,535	202,150	193,104
PER SHARE AMOUNTS:					
Net earnings (loss) per common share--primary	$(.93)	$(1.63)	$.95	$.93	$1.06
Net earnings(loss)per common share--fully diluted	(.93)	(1.63)	.93	.91	1.01
Dividends declared-- Series 2 preferred stock	13.00	1.37	--	--	--
Dividends declared-- common stock	.440	.440	.440	.440	.440
Shareholders' equity-- common stock	8.07	9.46	11.58	11.07	10.61
Market price range	11 1/8	12 1/8	10 3/4	9 5/8	9 1/2
	8 1/2	8 5/8	7 7/8	7 3/8	6 1/4
GENERAL STATISTICS:					
Shareholders	7,198	6,920	6,994	7,139	6,809
Employees	5,239	5,363	5,424	5,544	6,085

Note: The per common share amounts have been adjusted to reflect the eight-for-five common stock split in 1987 and the three-for-two common stock split in 1985.

EXHIBIT 21

KAMAN CORPORATION

SUBSIDIARIES

Following is a list of the Corporation's subsidiaries, each of which is wholly owned by the Corporation either directly or through another subsidiary. Second-tier subsidiaries are listed under the name of the parent subsidiary.

Name	State of Incorporation
Registrant: KAMAN CORPORATION	Connecticut
Subsidiaries:	
Kaman Diversified Technologies Corporation	Connecticut
Kaman Aerospace Corporation	Delaware
Kamatics Corporation	Connecticut
Kaman Aerospace International Corporation	Connecticut
Kaman X Corporation	Connecticut
Kaman Sciences Corporation	Delaware
Kaman Instrumentation Corporation	Connecticut
Kaman Electromagnetics Corporation	Massachusetts
AirKaman of Jacksonville, Inc.	Connecticut
Advanced Energetic Materials Corporation of America*	Delaware
Kaman Technologie GmbH	Germany
Kaman Industrial Technologies Corporation	Connecticut
Kaman Industrial Technologies, Ltd.	Canada
Kaman Music Corporation	Connecticut
KMI Europe, Inc.	Delaware
Kaman U.K. Limited	Great Britain
Trace Elliot Limited	Great Britain
B & J Music Ltd.	Canada

* Fifty percent (50%) of voting stock owned by Kaman Corporation

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

KPMG Peat Marwick LLP
Certified Public Accountants
CityPlace II
Hartford, Connecticut 06103

The Board of Directors and Shareholders
Kaman Corporation:

We consent to incorporation by reference in the Registration Statements (Nos. 33-51483 and 33-51485) on Form S-8 of Kaman Corporation of our reports dated January 25, 1995, relating to the consolidated balance sheets of Kaman Corporation and subsidiaries as of December 31, 1994 and 1993 and the related consolidated statements of earnings, changes in shareholders' equity and cash flows and related schedules for each of the years in the three-year period ended December 31, 1994 which reports appear or are incorporated by reference in the December 31, 1994 annual report on Form 10-K of Kaman Corporation.

/s/ KPMG Peat Marwick LLP

Hartford, Connecticut
March 8, 1995

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned does hereby appoint and constitute Charles H. Kaman and Harvey S. Levenson and each of them as his or her agent and attorney-in-fact to execute in his or her name, place and stead (whether on behalf of the undersigned individually or as an officer or director of Kaman Corporation or otherwise) the Annual Report on Form 10-K of Kaman Corporation respecting its fiscal year ended December 31, 1994 and any and all amendments thereto and to file such Form 10-K and any such amendment thereto with the Securities and Exchange Commission. Each of the said attorneys shall have the power to act hereunder with or without the other.

IN WITNESS WHEREOF, the undersigned have executed this instrument this 14th day of February, 1995.

Frank C. Carlucci	Hartzel Z. Lebed
John A. DiBiaggio	Harvey S. Levenson
Edythe J. Gaines	Walter H. Monteith, Jr.
Huntington Hardisty	John S. Murtha
Charles H. Kaman	Robert L. Newell
C. William Kaman, II	Wanda L. Rogers

5

EXHIBIT 27

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S 1994 ANNUAL REPORT TO SHAREHOLDERS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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KAMAN CORPORATION
1,000

YEAR
DEC-31-1994
JAN-1-1994
DEC-31-1994
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