

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
- --- SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD
ENDED SEPTEMBER 30, 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

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 the number of shares outstanding of each of the issuer's
classes of common stock as of October 31, 1994:

Class A Common	17,514,679
Class B Common	667,814

KAMAN CORPORATION AND SUBSIDIARIES
PART I - FINANCIAL INFORMATION

Item 1. Financial Statements:

Condensed Consolidated Balance Sheets(In thousands)

Assets	September 30, 1994	December 31, 1993
-----	-----	-----
Current assets:		
Cash and cash equivalents	\$ 1,536	\$ 3,845
Accounts receivable (net of allowance for doubtful accounts of \$1,746 in 1994, \$1,576 in 1993)	155,860	165,615
Inventories:		
Raw materials	\$ 11,692	\$ 10,715
Work-in-process	61,079	28,241
Finished goods	1,533	1,131
Merchandise for resale	101,591	90,364
	-----	-----
Other current assets	18,277	16,690
	-----	-----
Total current assets	351,568	316,601
Property, plant & equip., at cost	182,595	175,770
Less accumulated depreciation and amortization	102,104	94,059
	-----	-----
Net property, plant & equipment	80,491	81,711
Other assets	40,375	41,884
	-----	-----
	\$472,434	\$440,196
	=====	=====
Liabilities and Shareholders' Equity		

Current liabilities:		
Notes payable	\$ 46,295	\$ 31,865
Accounts payable	49,727	51,246
Accrued liabilities	33,849	28,586
Other current liabilities	63,025	55,068
	-----	-----
Total current liabilities	192,896	166,765
Deferred credits	7,694	7,141
Long-term debt, excl. current portion	37,691	37,977
Shareholders' equity:		
Series 2 preferred stock	\$ 57,167	\$ 57,167
Other shareholders' equity	176,986	171,146
	-----	-----
	\$472,434	\$440,196
	=====	=====

KAMAN CORPORATION AND SUBSIDIARIES
PART I - FINANCIAL INFORMATION, Continued

Item 1. Financial Statements, continued:

Condensed Consolidated Statements of Earnings
(In thousands except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	1994	1993	1994	1993
	----	----	----	----
Revenues	\$ 199,249	\$202,964	\$606,186	\$595,808
Costs and expenses:				
Cost of sales	147,066	153,643	448,618	440,365
Selling, general and administrative expense	43,529	41,916	131,934	129,288
Interest expense	1,178	2,027	3,100	5,775
Restructuring and other costs	-	69,500	-	69,500
Other expense	41	147	546	314
	-----	-----	-----	-----
	191,814	267,233	584,198	645,242
	-----	-----	-----	-----
Earnings(loss)before income taxes	7,435	(64,269)	21,988	(49,434)
Income taxes(benefit)	2,534	(21,770)	8,251	(15,726)
	-----	-----	-----	-----
Net earnings(loss)	\$ 4,901	\$(42,499)	\$ 13,737	\$(33,708)
	=====	=====	=====	=====
Preferred stock dividend requirement	\$ (929)	\$ -	\$ (2,787)	\$ -
	=====	=====	=====	=====
Earnings(loss)applicable to common stock	\$ 3,972	\$(42,499)	\$ 10,950	\$(33,708)
	=====	=====	=====	=====
Net earnings(loss)per common share				
- Primary	\$.22	\$ (2.36)	\$.60	\$ (1.86)
- Fully diluted	\$.22	\$ (2.36)	\$.60	\$ (1.86)
	=====	=====	=====	=====
Dividends declared per share:				
- Series 2 preferred stock	\$ 3.25	\$ -	\$ 9.75	\$ -
- Common stock	\$.11	\$.11	\$.33	\$.33
	=====	=====	=====	=====

KAMAN CORPORATION AND SUBSIDIARIES
PART I - FINANCIAL INFORMATION, Continued

Item 1. Financial Statements, continued:

Condensed Consolidated Statements of Cash Flows
(In thousands)

	For the Nine Months Ended September 30,	
	1994	1993
Cash flows from operating activities:		
Net earnings (loss)	\$ 13,737	\$(33,708)
Depreciation and amortization	9,378	9,716
Restructuring and other costs	-	69,500
Deferred income taxes (benefit)	1,284	(21,315)
Changes in current assets and liabilities	(25,169)	(36,167)
Other, net	812	(698)
	-----	-----
Cash provided by (used in) operating activities	42	(12,672)
	-----	-----
Cash flows from investing activities:		
Expenditures for property, plant & equipment	(7,683)	(18,395)
Other, net	(786)	(64)
	-----	-----
Cash provided by (used in) investing activities	(8,469)	(18,459)
	-----	-----
Cash flows from financing activities:		
Additions to notes payable	14,430	40,115
Additions (reductions) to long-term debt	(286)	(988)
Purchases of treasury stock	(814)	(3,520)
Dividends paid	(8,789)	(5,940)
Other, net	1,577	1,940
	-----	-----
Cash provided by (used in) financing activities	6,118	31,607
	-----	-----
Net increase (decrease) in cash and cash equivalents	(2,309)	476
Cash and cash equivalents at beginning of period	3,845	2,455
	-----	-----
Cash and cash equivalents at end of period	\$ 1,536	\$ 2,931
	=====	=====

KAMAN CORPORATION AND SUBSIDIARIES
PART I - FINANCIAL INFORMATION, Continued

Item 1. Financial Statements, continued:

Notes to Condensed Consolidated Financial Statements
(In Thousands)

Basis of Presentation

- - - - -

The December 31, 1993 condensed consolidated balance sheet amounts have been derived from the previously audited consolidated balance sheet of Kaman Corporation and subsidiaries.

The balance of the condensed financial information reflects all adjustments which are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented and are of a normal recurring nature unless otherwise disclosed in this report.

The statements should be read in conjunction with the notes to the consolidated financial statements included in Kaman Corporation's 1993 Annual Report.

Cash Flow Items

- - - - -

Cash payments for interest were \$3,606 and \$7,129 for the nine months ended September 30, 1994 and 1993, respectively. Cash payments for income taxes for the comparable periods were \$7,745 and \$6,388, respectively.

KAMAN CORPORATION AND SUBSIDIARIES
PART I - FINANCIAL INFORMATION, Continued

Item 2. Management's Discussion and Analysis of Financial Condition
and Results of Operations

Results of Operations

- - - - -

Consolidated revenues were basically unchanged for the three month and nine month periods ended September 30, 1994 compared to the same periods of 1993. These results reflect the fact that increases in Distribution segment sales were offset by lower revenues in the Diversified Technologies segment.

Diversified Technologies revenues were down 19.3% and 9.8% for the three month and nine month periods, respectively, compared to 1993, as this segment's business continues to reflect the adverse influence of conditions in the defense market and the commercial aircraft industry.

Management expects that reductions in defense expenditures will continue in future periods as a result of ongoing changes in U.S. defense planning and spending priorities and fiscal pressures upon the federal budget. Military hardware programs in particular are subject to a variety of risks, including lack of funding, contract cancellation, or program termination. The corporation has been affected, principally with regard to its SH-2 helicopter program. The corporation expects to finish its contract to retrofit certain SH-2Fs to the SH-2G configuration this year and does not expect that the U.S. Navy will have further retrofit requirements at this time since it is reducing the size of the fleet. There is some possibility that in the event the Navy provides retired ships to foreign military services, an opportunity might exist for use of the SH-2 for those purposes. 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.

Within the defense market, emphasis appears to be shifting toward the use of more cost effective advanced technology "smart" weapons in order to limit loss of life and property during military conflict. 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 advanced technology products and systems, as well as advanced technology services such as computer software development, intelligence analysis, and research and development.

KAMAN CORPORATION AND SUBSIDIARIES
PART I - FINANCIAL INFORMATION, Continued

Item 2. Management's Discussion and Analysis of Financial
Condition and Results of Operations (cont.)

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 Diversified Technologies segment 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.

The K-MAX(Registered Trademark)helicopter program is an important component of the Diversified Technologies segment commercial diversification efforts. The K-MAX(Registered Trademark)is a medium to heavy lift 'aerial truck' helicopter with special operating characteristics that distinguish it from other helicopters for use in logging, fire fighting, and other utility applications. The helicopter received FAA Type Certification (Part 27) on August 30, 1994. The first production lot of five (5) helicopters has been completed and deliveries are being made to initial customers under a special lease program that allows the corporation to maintain active involvement in the product's introduction to the market-place. The aircraft are being carried in inventory during the period of this special lease program. The next production lot will consist of six (6) helicopters for sale in 1995 to strategically chosen customers in the United States and abroad. Although management believes that this program has good potential in the long term, the program is not expected to materially offset the effects of reduced defense spending in the shorter term.

Distribution segment revenues were up 12.3% and 10.7% for the three month and nine month periods of 1994, respectively, compared to a year ago. These results are largely attributable to the industrial distribution business, which comprises slightly more than 75% of the Distribution segment. Industrial distribution sales are made to nearly every sector of U.S. industry so demand for its products tends to reflect industrial production levels and general economic conditions. Continued improvement in the domestic economy has contributed significantly to increased sales for our industrial distribution operations. To some degree, these results also reflect the effects of the company's value added systems marketing strategy which has differentiated it from its competitors. Music revenues were up for the three and nine month periods of 1994 compared to the same periods of 1993, reflecting improved conditions in the U.S. economy and increases in foreign sales.

KAMAN CORPORATION AND SUBSIDIARIES
PART I - FINANCIAL INFORMATION, Continued

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (cont.)

For the three and nine month periods of 1994, the Diversified Technologies segment had substantial increases in operating profits, compared to the same periods of 1993. The increases are attributable to the third quarter 1993 pre-tax restructuring charge of \$69.5 million. That charge represented restructuring and other non-recurring costs associated with defense conversion initiatives and downsizing the defense and commercial aircraft manufacturing businesses of the Diversified Technologies segment. If the restructuring charge were disregarded, Diversified Technologies operating profits for the three and nine month periods of 1994 would have been down 12.2% and 13.3%, respectively, compared to the same periods of 1993. These results reflect the ongoing effects of several factors, including program reductions due to lower defense spending; increased competition for the awarding of defense contracts which has resulted in downward pressures on margins; increased research and development costs for defense conversion programs, notably the K-MAX (Registered Trademark) helicopter and for new military product development; and a continuing shift in business mix from hardware programs to research and development type products and services with somewhat lower profit margins. Distribution segment operating profits were up 51.4% and 24.6% for the three month and nine month periods, respectively, compared to 1993. These results are primarily attributable to the industrial technologies business and reflect improvement in the domestic economic environment.

Interest expense for the first nine months of 1994 decreased 46.3% compared to the same period of 1993. This reduction is largely a result of the corporation's exchange of \$61.8 million of its 6% convertible subordinated debentures for \$57.2 million of its preferred stock during the fourth quarter of 1993.

The consolidated effective income tax rate for the first nine months of 1994 was 37.5% and is somewhat lower than it would otherwise be due to the corporation's receipt of a state tax credit. For the same period of 1993, the corporation received an income tax benefit at an overall rate of 31.8%. The income tax benefit was due to the restructuring charge in the third quarter of 1993 and the resulting loss for the first nine months of that year.

Net earnings were \$4.9 million for the third quarter of 1994 compared to a loss of \$42.5 million a year ago. After giving effect to preferred stock dividend requirements, earnings available to common shareholders were \$4.0 million compared to a loss of \$42.5 million in 1993. Net earnings were \$13.7 million for the first nine months of 1994 compared to a loss of \$33.7 million a year ago. After giving effect to preferred stock dividend requirements, earnings available for common shareholders were \$11.0 million compared to a loss of \$33.7 million in 1993.

KAMAN CORPORATION AND SUBSIDIARIES
PART I - FINANCIAL INFORMATION, Continued

Item 2. Management's Discussion and Analysis of Financial Condition
and Results of Operations (cont.)

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 replace the previous agreements and increase 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. During the first nine months of 1994 there were no borrowings under the agreements which were in effect during that period.

The corporation also maintains other short-term credit arrangements with various banks. As of September 30, 1994, these borrowings were at \$45.6 million. For the first nine months of 1994 average bank borrowings against these short-term lines were \$37.9 million compared to \$42.1 million for the same period of 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 September 30, 1994, a total of 82,000 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.

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.

KAMAN CORPORATION AND SUBSIDIARIES
PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits to Form 10-Q:

(11) Earnings per common share computation

(27) Financial Data Schedule

(b) Reports on Form 8-K:

There have been no reports on Form 8-K filed during the quarter ended September 30, 1994.

SIGNATURES

Pursuant to the requirements 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.

KAMAN CORPORATION
Registrant

Date: November 11, 1994

By
Harvey S. Levenson
President
(Duly Authorized Officer)

Date: November 11, 1994

By
Robert M. Garneau
Senior Vice President and
Chief Financial Officer

KAMAN CORPORATION AND SUBSIDIARIES

Index to Exhibits

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Exhibit 27	Financial Data Schedule	13

KAMAN CORPORATION AND SUBSIDIARIES
EXHIBIT 11 - EARNINGS PER COMMON SHARE COMPUTATION
(In thousands except per share amounts)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	1994	1993	1994	1993
	----	----	----	----
Primary:				
Net earnings (loss) applicable to common stock	\$ 3,972	\$(42,499)	\$ 10,950	\$ (33,708)
	=====	=====	=====	=====
Weighted average number of common shares outstanding	18,213	17,976	18,177	18,130
Weighted average shares issuable on exercise of dilutive stock options	80	*	91	*
	-----	-----	-----	-----
Total	18,293	17,976	18,268	18,130
	=====	=====	=====	=====
Net earnings (loss) per common share - primary	\$.22	\$ (2.36)	\$.60	\$ (1.86)
	=====	=====	=====	=====
Fully diluted:				
Net earnings (loss) applicable to common stock	\$ 3,972	\$(42,499)	\$ 10,950	\$(33,708)
Elimination of interest expense on 6% subordinated convertible debentures(net after taxes)	329	*	*	*
Elimination of preferred stock dividend requirement	929	-	*	-
	-----	-----	-----	-----
Net earnings (loss)(as adjusted)	\$ 5,230	\$(42,499)	\$ 10,950	\$(33,708)
	=====	=====	=====	=====
Weighted avg. no. of shares outstanding including shares issuable on exercise of stock options	18,293	17,976	18,268	18,130
Shares issuable on conversion of 6% subordinated convertible debentures	1,421	*	*	*
Shares issuable on conversion of Series 2 preferred stock	4,552	-	*	-
Additional shares using ending market price instead of average market on treasury method use of stock option proceeds	15	-	*	-
	-----	-----	-----	-----
Total	24,281	17,976	18,268	18,130
	=====	=====	=====	=====
Net earnings (loss) per common share - fully diluted	\$.22	\$ (2.36)	\$.60	\$ (1.86)
	=====	=====	=====	=====

* Anti-dilutive and accordingly not included in the computation

EXHIBIT 27

The schedule contains summary financial information extracted from the corporation's quarterly report to shareholders and is qualified in its entirety by reference to such financial statements.

1,000

9-MOS	
	DEC-31-1994
	JAN-01-1994
	SEP-30-1994
	1,536
	0
	157,606
	(1,746)
	175,895
	351,568
	182,595
	(102,104)
	472,434
192,896	
	37,691
	18,268
	0
	57,167
	158,718
472,434	
	606,186
	606,186
	448,618
	580,552
	546
	0
	3,100
	21,988
	8,251
13,737	
	0
	0
	0
	13,737
	.60
	.60

