UNITED STATES 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, 2001

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.)

1332 Blue Hills Avenue, Bloomfield, Connecticut 06002
(Address of principal executive offices)

Registrant's telephone number, including area code-
(860) 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

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 herein 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 and non-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.

$313,942,293 as of February 1, 2002.

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date (February 1, 2002).

Class A Common	21,625,432 shares
Class B Common	667,814 shares

DOCUMENTS INCORPORATED HEREIN BY REFERENCE

Portions of the Corporation's 2001 Annual Report to Shareholders are incorporated herein by reference and filed as Exhibit 13 to this Report.

PART I

ITEM 1. BUSINESS

Kaman Corporation, incorporated in 1945, reports information for itself and its subsidiaries (collectively, the "corporation") in the following business segments: Aerospace, Industrial Distribution, and Music Distribution.

The Aerospace segment serves commercial, U.S. defense and foreign government markets. Its principal programs consist of the SH-2G maritime helicopter, K-MAX (Registered Trademark) medium-to-heavy lift helicopter, subcontract work involving aerostructures and helicopter airframes as well as the manufacture of components such as self-lubricating bearings and advanced technology products. The Industrial Distribution segment serves nearly every sector of U.S. industry with industrial repair and OEM products as well as support services. The Music Distribution segment serves domestic and foreign markets with a wide variety of musical instruments and accessories and manufactures guitars and other music products for musicians of all capabilities and skill levels.

AEROSPACE

The Aerospace segment consists of several operating subsidiaries of Kaman Aerospace Group, Inc., including Kaman Aerospace Corporation, Kaman Aerospace International Corporation, K-MAX Corporation, and Kamatics Corporation. In December 2001, Kaman Aerospace Group, Inc. acquired H.I.G. Aerospace Group, Inc.(now known as Kaman PlasticFab Group, Inc.) and its subsidiary, Plastic Fabricating Company, Inc.

The segment's largest program is the SH-2G Super Seasprite helicopter, an advanced, intermediate-weight, multi-mission, maritime aircraft designed to meet the needs of navies around the world that operate smaller ships for which the SH-2G is ideally sized. The helicopter is configured for rapid deployment and multi-mission flexibility, including anti-submarine warfare, surface surveillance, attack and search and rescue. The SH-2, including its F and G configurations, was originally manufactured for the U.S. Navy. At the present time the corporation's work generally consists of retrofit of the SH-2F helicopters to the SH-2G configuration or refurbishment of existing SH-2G helicopters.

The SH-2G is currently operational with the Egyptian Air Force and the corporation is performing retrofit work under commercial contracts with the governments of Australia and New Zealand.

The program for New Zealand involves five (5) aircraft, and support, for the Royal New Zealand Navy. The contract has an anticipated value of about $186 million (US). The corporation has delivered three SH-2G(NZ) helicopters and a fourth will be shipped pending completion of testing at the corporation's facilities in Bloomfield, CT, with final acceptance of all four aircraft expected to follow thereafter. The fifth aircraft, which represents the exercise of an option under the contract, is currently scheduled for delivery before the end of 2002.

The program for Australia involves eleven (11) helicopters with support, including a support services facility, for the Royal Australian Navy. The total contract has an anticipated value of about $700 million (US) and the helicopter production portion of the work is valued at $580 million. The Australian SH-2G(A) will contain an integrated tactical avionics system ("ITAS") that will provide the most sophisticated, integrated cockpit and weapons system available in an intermediate-weight helicopter.

In the second quarter of 2001, the corporation recorded a sales and pre-tax earnings adjustment of $31.2 million attributable to the Aerospace segment, substantially all of which was associated with a change in the estimated cost to complete the Australia SH-2G program. This adjustment has had the effect of lowering the profit rate on the Australia program. The cost growth for that program is related to a contract dispute settlement with Litton Guidance and Control Systems (now part of Northrop Grumman) which had been the subcontractor responsible for ITAS hardware and software development as well as integration testing. As a result of the settlement arrived at in early 2001, the balance of ITAS software development is being completed by other subcontractors. One result of the process of negotiating new subcontracts for this development has been that the corporation will have responsibility for aircraft integration testing, a task previously subcontracted to Litton. This new responsibility along with the estimated time frame for the subcontractors' development of the full ITAS software suggests that there will be a longer delay than previously anticipated in delivery of the full ITAS software to Australia. The corporation is working with the Royal Australian Navy to develop a process that will allow for phased acceptance and delivery of the aircraft without the full ITAS, and subsequent installation of the full

software. Six aircraft are currently in Australia, all without the full ITAS software; two are operational and the others are in the final stages of assembly.

The corporation is actively pursuing opportunities for the SH-2G helicopter in the international defense market, enhancing familiarization with the SH-2G's capabilities among various governments around the world. The corporation is currently in discussions with the Egyptian government concerning a requirement for up to six search and rescue helicopters and with the United States government about a program for refurbishment of four existing SH-2G aircraft for the Polish Navy, along with future training and support. Management believes that the aircraft is in a good competitive position, while also recognizing that this market is highly competitive and influenced by economic and political conditions.

The corporation also maintains a consignment of the U.S. Navy's inventory of SH-2 spare parts under a multi-year agreement that provides the ability to utilize certain inventory for support of the corporation's SH-2 programs.

During 2001, the corporation continued to provide on-site support in the Republic of Egypt for ten (10) SH-2G helicopters that were delivered in 1998 under that country's foreign military sale agreement with the U.S. Navy.

The corporation also manufactures the K-MAX medium-to-heavy lift helicopter that can be used for fire fighting and commercial applications such as logging and construction of power lines and oil rigs. The K-MAX program, which began in late 1994, is based on the corporation's intermeshing rotor technology with servo-flap control and the corporation has been conservative in its production of this aircraft since inception. The program, for which the corporation maintains a significant inventory, has experienced significant market difficulties in the past several years, due partly to conditions in the commercial logging industry, the aircraft's principal application to date. While the corporation continues to pursue a strategy of refocusing K-MAX sales development on global market opportunities in industry and government, those efforts have met with limited success. There were no sales of the K-MAX helicopter during 2001, other than the three aircraft that were part of the five aircraft order received

from the U.S. State Department in late 2000, a transaction that represented the first sale of the K-MAX to the U.S. government and its first application in a law enforcement role. Management is in the process of evaluating the amount of time and further investment that could be required to achieve successful sales development and profitability for the program.

The Aerospace segment also performs aerostructure and helicopter subcontract work for a variety of aerospace manufacturing programs. Aerostructure subcontract work focuses on commercial and military aircraft programs, including wing structures and components for commercial airliners, major structural assemblies for military transports, aircraft thrust reversers, business jet subassembly components; and the manufacture of proprietary self-lubricating bearings for use in aircraft flight controls, turbine engines and landing gear, as well as driveline couplings for helicopters. Helicopter subcontract work includes helicopter airframes, composite rotor blades, and component work. Current aerostructure and helicopter subcontract programs include production of wing structures and various components for virtually all Boeing commercial aircraft, fuselages and rotor blades for MD Helicopters, and components for military aircraft such as the C-17 military transport, the F-22 fighter and the Comanche helicopter. As Boeing is the largest customer of the segment's subcontract business, management is monitoring the drop off in commercial aircraft orders and the impact this may have on production in the next two years.

Management is in the process of identifying opportunities to leverage the strengths of the aerospace business and is also focused on building upon its well recognized expertise in aerospace subcontracting and advanced technology products. For example, in December 2001 the corporation acquired Plastic Fabricating Company, Inc., a Wichita, Kansas manufacturer of composite parts and assemblies for aerospace applications. This acquisition provides the segment with a presence in one of the largest aerospace manufacturing areas in the United States and complements its existing composites and metal bonding operations.

The Aerospace segment's advanced technology products include safe, arm and fuzing devices for several missile programs; high reliability memory systems for airborne, shipboard, and ground-based programs; precision non-contact measuring systems for industrial and scientific use; high-performance microwave cable assemblies for aircraft electronic warfare devices and other

applications; and high-power permanent magnet motors used commercially in the oil service and transportation industries and for military uses.

In late 2001, Kaman Aerospace Corporation, the subsidiary that accounted for 80% of Aerospace segment net sales in 2001, undertook a realignment of its product line management structure in an effort to increase market development of its core capabilities while improving efficiency, enhancing customer service and reducing costs. During 2001, the Aerospace segment also continued implementation of `Lean-Thinking' strategies throughout the organization in order to further enhance efficiency and reduce costs.

INDUSTRIAL DISTRIBUTION

The Industrial Distribution segment consists of Kaman Industrial Technologies Corporation and its Canadian subsidiary, Kaman Industrial Technologies, Ltd. In March, 2002, Kaman Industrial Technologies Corporation acquired a majority ownership interest in Delamac de Mexico S.A. de C.V., a Mexican corporation.

This segment is one of the nation's larger industrial distributors, supplying OEM and replacement parts to more than 50,000 customers representing nearly every industry sector. The segment's catalog of more than one million individual items includes an extensive array of power transmission, motion control, materials handling and electrical components, and a wide range of bearings. The segment maintains a sophisticated warehouse management system, a network of over 170 branches across the U.S. and British Columbia, Canada and strategically located distribution centers, all of which helps the segment to provide same-day or next-day delivery for most of its offerings. The products that the segment purchases for distribution are for the most part derived from traditional technologies, although the segment is increasingly selling products with the higher technological content required to support automated production processes.

In addition to providing products, the segment uses its know-how to help its customers solve problems, drive out inefficiencies and become more profitable and competitive in their own markets. The segment continues to move forward with its e-commerce initiatives to provide customers the convenience of ordering products online and accessing real-time account information on the Internet.

This channel represents a small portion of total sales today, however it is expected to become an increasingly important method of doing business.

At the end of the third quarter of 2001, the segment acquired the industrial distribution business of A-C Supply, Inc. of Milwaukee, Wisconsin. This acquisition strengthens the segment's presence in key industrial markets in the upper Midwest, where it has had limited presence, and will facilitate service to national account customers with operating plants in that region. This acquisition is in keeping with management's intention to build value for the segment through both acquisitions and internal growth.

In March, 2002, the segment acquired a majority ownership interest in Delamac de Mexico S.A. de C.V., a Mexican distributor of industrial products headquartered in Mexico City. This acquisition provides the segment with access to Mexico's industrial markets and enhances its ability to service the Mexico-based operations of its North American customers.

Since the segment's customers include many sectors of U.S. industry, this business is influenced by industrial production levels and was adversely affected in 2001 by a weakened manufacturing sector that brought the industrial production index (the key economic indicator for this business) to levels not seen since the early 1980s. The segment was also impacted by specific events affecting particular customer industries, such as the effect that the energy crisis in the West had on the aluminum industry. The segment had taken steps to implement workforce adjustments and control costs in late 2000 and as economic conditions worsened in 2001, the corporation implemented further reductions and efficiencies. These efforts, along with good results with business retention efforts and certain new national account awards, helped the segment to remain profitable in 2001 despite lower sales.

MUSIC DISTRIBUTION

The Music Distribution segment consists of Kaman Music Corporation, KMI Europe, Inc., and a Canadian subsidiary, B & J Music Ltd.

This segment is the largest independent distributor of musical instruments and accessories, offering more than 10,000 products that reach musicians of all capabilities and skill levels. Products include the segment's proprietary Ovation (Registered Trademark) and Hamer (Registered Trademark) guitars, as well as the Takamine (Registered Trademark) guitar line, Toca percussion instruments, Gibraltar drum hardware, and an extensive

offering of other musical instruments and accessories. In 2001, the segment also completed the first year of its exclusive distribution and sales license with Fred Gretsch Enterprises, successfully launching its high quality Gretsch drum kit lines in domestic and foreign markets.

Segment results for 2001 were affected by weakened consumer markets both domestically and abroad, although a better than expected Christmas season helped to mitigate some of the year's sales shortfall.

During 2001, the segment continued its focus on `Lean-Thinking' strategies and was able to enhance operating efficiencies and improve customer service as a result. During the year, the segment completed the consolidation of two warehouses into one state-of-the-art facility. The segment also implemented an electronic data exchange program that allows the sharing of data and information directly with customers, providing a value-added tool that customers use to place orders, verify order status, and check inventory availability at any time.

FINANCIAL INFORMATION

Information concerning each segment's performance for the last three fiscal years is included in the corporation's 2001 Annual Report to Shareholders (Exhibit 13 to this Form 10-K) and is incorporated herein by reference.

PRINCIPAL PRODUCTS AND SERVICES

Following is information for the three preceding fiscal years concerning the percentage contribution of each business segment's products and services to the corporation's consolidated net sales:

	Years Ended December 31 1999	2000	2001
~~Aerospace~~	~~37.3%~~	~~37.0%~~	~~34.4%~~
~~Industrial Distribution~~	~~50.8%~~	~~50.5%~~	~~51.8%~~
~~Music Distribution~~	~~11.9%~~	~~12.5%~~	~~13.8%~~
~~Total~~	~~100.0%~~	~~100.0%~~	~~100.0%~~

~~RESEARCH AND DEVELOPMENT EXPENDITURES~~

~~Government sponsored research expenditures by the~~

Aerospace segment were $6.7 million in 2001, $10.2 million in 2000, and $11.3 million in 1999. Independent research and development expenditures were $4.7 million in 2001, $5.5 million in 2000, and $4.9 million in 1999.

BACKLOG

Program backlog of the Aerospace segment was approximately $364.9 million at December 31, 2001, $439.9 million at December 31, 2000, and $580.1 million at December 31, 1999. As the Aerospace segment completes its work on the commercial contracts with the governments of Australia and New Zealand, the segment's backlog is decreasing and returning to more historic levels.

The corporation anticipates that approximately 57.7% of its backlog at the end of 2001 will be performed in 2002. Approximately 16.6% of the backlog at the end of 2001 is related to U.S. 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. Virtually all of these funded government contracts have been signed.

GOVERNMENT CONTRACTS

During 2001, approximately 91.8% of the work performed by the corporation directly or indirectly for the U.S. 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 Aerospace segment operates in a highly competitive environment with many other organizations which are substantially larger and have greater financial and other resources. The corporation competes with other helicopter manufacturers on the basis of price, performance, and mission capabilities; and also on the basis of its experience as a manufacturer of helicopters, the quality of its products and services, and the availability of facilities, equipment and personnel to perform contracts. Consolidation in the industry has increased the level of international competition for helicopter programs. The corporation is also affected by the political and economic circumstances of its potential foreign customers. The corporation's FAA certified K-MAX helicopters compete with military surplus helicopters and other used commercial helicopters employed for lifting, as well as with alternative methods of meeting lifting requirements. The corporation competes for its subcontract aerostructures, helicopter structures and components business on the basis of price and quality; product endurance and special performance characteristics; proprietary knowledge; and the reputation of the corporation.

Industrial distribution operations are subject to a high degree of competition from several other national distributors, two of which are substantially larger than the corporation; and from many regional and local firms. Competitive forces have intensified as a result of weakness in the U.S. manufacturing sector during 2001 and as major competitors grow through consolidation.

Music distribution operations compete with domestic and foreign distributors. Certain musical instrument products manufactured by the corporation are subject to competition from U.S. and foreign manufacturers as well. 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, as well as under private label manufacturing in a number of foreign countries.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking information relating to the corporation's business and prospects, including the SH-2G and K-MAX helicopter programs, aerostructures, helicopter structures, and components, the industrial and music distribution businesses, operating cash flow, and other matters that involve a number of uncertainties that may cause actual results to differ materially from expectations. Those uncertainties include, but are not limited to: 1) the successful conclusion of competitions and thereafter contract negotiations with government authorities, including foreign governments; 2) political developments in countries where the corporation intends to do business; 3) standard government contract provisions permitting renegotiation of terms and termination for the convenience of the government; 4) economic and competitive conditions in markets served by the corporation, including industry consolidation in the United States and global economic conditions; 5) timing of satisfactory completion of the Australian SH-2G(A) program; 6) timing, degree and scope of market acceptance for products such as a repetitive lift helicopter; 7) U.S. industrial production levels; 8) changes in supplier sales policies; 9) the effect of price increases or decreases; 10) currency exchange rates, taxes, laws and regulations, inflation rates, general business conditions and other factors; 11) effects of the September 11, 2001 attacks on the World Trade Center in New York and the Pentagon in Washington, D.C. Any forward-looking information should be considered with these factors in mind.

EMPLOYEES

As of December 31, 2001, the Corporation employed 3,780 individuals throughout its business segments and corporate headquarters as follows:

Aerospace	1,900
Industrial Distribution	1,457
Music Distribution	361
Corporate Headquarters	62
	3,780

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 defense related and commercial 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 2021.

These patents are allocated among the corporation's business segments as follows:

	U.S. PATENTS		FOREIGN PATENTS	
Segment	Issued	Pending	Issued	Pending
Aerospace	59	4	28	6
Industrial Distribution	0	0	0	0
Music Distribution	6	1	2	12
	65	5	30	18

Trademarks of Kaman Corporation include Adamas, Applause, Hamer, KAflex, KAron, K-MAX, Magic Lantern, and Ovation. In all, the corporation maintains 205 U.S. and foreign trademarks with 16 applications pending, most of which relate to music products in the Music 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, compliance with any environmental protection laws is not likely to have a material adverse effect upon the capital expenditures, earnings or competitive position of the corporation or any of its subsidiaries.

The corporation is subject to the usual reviews, inspections and enforcement actions by various federal and state environmental and enforcement agencies and has entered into agreements and consent decrees at various times in connection with such reviews. One such matter, Rocque vs. Kaman, is discussed in Item 3 (Legal Proceedings). Also on occasion the corporation has been identified as a potentially responsible party ("PRP") by the U.S. Environmental Protection Agency ("EPA") in connection with the EPA's investigation of certain third party facilities. In each instance, the corporation has provided appropriate responses to all requests for information that it has received, and the matters have been resolved either through de minimis settlements, consent agreements, or through no further action being taken by the EPA or the applicable state agency with respect to the corporation. With respect to any such matters which may currently be pending, 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 a number of other factors, including: (i) the financial resources of other PRPs 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

Seventeen percent (17%) of the sales of the corporation made in 2001 were to customers located outside the United States. In 2001, the corporation continued its efforts to develop international markets for its products and foreign sales (including sales for export); and during 2001 the corporation continued to perform work under contracts with the Commonwealth of Australia and the Government of New Zealand for the supply of retrofit SH-2G helicopters. Additional information required by this item is included in the corporation's 2001 Annual Report to Shareholders (Exhibit 13 to this Form 10-K)and is incorporated herein by reference.

ITEM 2. PROPERTIES

The corporation occupies approximately 3.393 million square feet of space throughout the United States and in Canada and Australia, distributed as follows:

SEGMENT	SQUARE FEET (in thousands as of 12/31/01)
Aerospace	1,755
Industrial Distribution	1,194
Music Distribution	404

Corporate Headquarters	40
Total	3,393

The Aerospace segment's principal facilities are located in Arizona, Connecticut, Florida, Kansas and Massachusetts; other facilities including offices and smaller manufacturing and assembly operations are located in several other states. These facilities are used for manufacturing, 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 Facilities Lease Agreement with a five (5) year term expiring in March 2003. The corporation also occupies a facility in Nowra, New South Wales, Australia under a contract providing for a ten (10) year term expiring in June, 2010.

The Industrial Distribution segment's facilities are located throughout the United States with principal facilities located in California, Connecticut, New York, Kentucky and Utah. Additional Industrial Distribution segment facilities are located in British Columbia, Canada. These facilities consist principally of regional distribution centers, branches and office space with a portion used for fabrication and assembly work.

The Music Distribution segment's facilities in the United States are located in Connecticut, California, and Tennessee. An additional Music Distribution facility is located in Ontario, Canada. These facilities consist principally of regional distribution centers, source centers and office space. Also included are facilities used for manufacturing musical instruments.

The 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 and substantially all of such properties are currently fully utilized. Many of the properties, especially within the Industrial Distribution segment, are leased.

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. Legal proceedings or enforcement actions relating to environmental matters are discussed in the section entitled Compliance with Environmental Protection Laws. The corporation is presently in settlement discussions with the Connecticut Department of Environmental Protection regarding the matter referred to as Rocque vs. Kaman previously reported by the corporation in its report on Form 10 K for fiscal year ended December 31, 2000, Document No. 0000054381 01 500002 filed with the Securities and Exchange Commission on March 15, 2001. The complaint in this matter alleges certain regulatory violations (the majority of which are administrative in nature) at facilities located in Connecticut related to routine inspections which took place between 1988 and 1998. The complaint seeks civil penalties and injunctive relief. Management believes that in all cases where corrective action was required at the time of such inspections, such action was promptly taken. Management does not anticipate that the resolution of this matter will be material to the business or financial condition of the corporation.

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 2001.

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 is included in the corporation's 2001 Annual Report to Shareholders (Exhibit 13 to this Form 10-K) and is incorporated herein by reference.

INVESTOR SERVICES PROGRAM

Shareholders of Kaman Class A common stock are eligible to participate in the Mellon Investor Services Program administered by Mellon Bank, N.A. which offers a variety of services including dividend reinvestment. A booklet describing the program may be obtained by writing to the program's Administrator, Mellon Bank, N.A., P. O. Box 3338, South Hackensack, NJ 07606-1938.

QUARTERLY CLASS A COMMON STOCK INFORMATION

	High	Low	Close	Dividend
2001				
First	$19.50	$13.31	$16.38	$.11
Second	18.18	14.70	17.70	.11
Third	17.95	12.26	13.24	.11
Fourth	16.38	10.90	15.60	.11
2000				

First	$12.81	$8.77	$9.75	$.11
Second	11.69	9.44	10.69	.11
Third	15.25	10.50	12.63	.11
Fourth	17.75	11.00	16.88	.11

QUARTERLY DEBENTURE INFORMATION (6% Conv. Subordinated)

	High	Low	Close
2001			
First	$ 92.00	$82.00	$ 92.00
Second	98.00	90.00	98.00
Third	99.00	98.00	99.00
Fourth	96.00	90.00	96.00
2000			
First	$ 94.00	$86.00	$88.00
Second	93.00	82.00	82.00
Third	90.00	82.00	84.00
Fourth	92.00	84.00	87.00

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 of the corporation will be held on Tuesday, April 16, 2002 at 11:00 a.m. in the offices of the corporation, 1332 Blue Hills Avenue, Bloomfield, Connecticut 06002. Holders of all classes of Kaman securities are invited to attend, however it is expected that matters on the agenda for the meeting will require the vote of Class B shareholders only.

ITEM 6. SELECTED FINANCIAL DATA

Information required by this item is included in the corporation's 2001 Annual Report to Shareholders (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 is included in the corporation's 2001 Annual Report to Shareholders (Exhibit 13 to this Form 10-K) and is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The corporation has various market risk exposures that arise from its normal business operations, including currency exchange rates, supplier price changes, and interest rates as well as other factors described in the Forward-Looking Statements section of this report.

The corporation's exposure to currency exchange rates is managed at the corporate and subsidiary operations levels as

~~an integral part of the business.~~

~~The corporation's exposure to supplier sales policies and price changes relates primarily to its distribution businesses and the corporation seeks to manage this risk through its procurement policies and maintenance of favorable relationships with suppliers.~~

~~The corporation's exposure to interest rate risk relates primarily to its financial instruments, which include short-term~~

~~investments with market interest rates and debt obligations with fixed interest rates. Currently the corporation has limited exposure in this area due to the level of its fixed rate debt obligation and borrowings under its financing arrangements, however this exposure is expected to increase during 2002. Interest rate risk is managed through the use of a combination of fixed rate long term debt and variable rate borrowings under its financing arrangements. Letters of credit are generally considered borrowings for purposes of the corporation's revolving credit agreement; they are not subject to interest rate risk, however, fees are charged based upon the corporation's usage and credit rating.~~

~~There has been no significant change in the corporation's exposure to these market risk factors during the year 2001. Management believes that any near-term change in the market risk factors described above should not materially affect the consolidated financial position, results of operations or cash flows of the corporation.~~

~~ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA~~

~~Information required by this item is included in the corporation's 2001 Annual Report to Shareholders (Exhibit 13 to this Form 10-K) and is incorporated herein by reference.~~

~~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, Director Nominee and Executive Officer of Kaman Corporation including name, age, position with the corporation, and business experience during the last five years:

Brian E. Barents	Mr. Barents, 58, has been a Director since 1996. He is the retired President and Chief Executive Officer of Galaxy Aerospace Company L.P. Prior to that he was President and Chief Executive Officer of Learjet, Inc.
T. Jack Cahill	Mr. Cahill, 53, has held various positions with Kaman Industrial Technologies Corporation, a subsidiary of the corporation, since 1975, and has been President of that subsidiary since 1993.
E. Reeves Callaway, III	Mr. Callaway, 54, has been a Director since 1995. He is the Founder of The Callaway Companies, an engineering services firm.
Frank C. Carlucci	Mr. Carlucci, 71, has been a Director since 1989. Prior to that he served as U.S. Secretary of Defense. He is Chairman of The Carlyle Group, merchant bankers, and Chairman of Nortel Networks Corporation. Mr. Carlucci is also a director of Ashland, Inc., Neurogen Corporation, Pharmacia Corp., Sun Resorts, Ltd., N.V., United Defense, LP, and Texas Biotechnology Corporation.
Laney J. Chouest, M.D.	Dr. Chouest, 48, has been a Director since 1996. He is Owner-Manager of Edison Chouest Offshore, Inc.

Candace A. Clark	Ms. Clark, 47, has been Senior Vice President, Chief Legal Officer and Secretary since 1996. Prior to that she served as Vice President and Counsel. Ms. Clark has held various positions with the corporation since 1985.
John A. DiBiaggio	Dr. DiBiaggio, 69, has been a Director since 1984. He is now President Emeritus of Tufts University, having served as President until the fall of 2001. Prior to that he was President and Chief Executive Officer of Michigan State University.

Ronald M. Galla	Mr. Galla, 50, has been Senior Vice President and Chief Information Officer since 1995. Prior to that he served as Vice President and director of the corporation's Management Information Systems, a position which he held since 1990. Mr. Galla has been director of the corporation's Management Information Systems since 1984.
Robert M. Garneau	Mr. Garneau, 57, has been Executive Vice President and Chief Financial Officer since 1995. Previously he served as Senior Vice President, Chief Financial Officer and Controller. Mr. Garneau has held various positions with the corporation since 1981.
Huntington Hardisty	Admiral Hardisty (USN Ret.), 73, is the retired President of Kaman Aerospace International Corporation, a subsidiary of the corporation. He has been a Director since 1991 and serves as a consultant to the corporation. He retired from the U.S. Navy in 1991 having served as Commander in Chief for the U.S. Navy Pacific Command since 1988.

Edwin A. Huston	Mr. Huston, 63, is a nominee for election as a director at the 2002 Annual Meeting of Shareholders. Mr. Huston is the retired Vice Chairman of Ryder System, Incorporated, an international logistics and transportation solutions company. He also served as Senior Executive Vice President Finance and Chief Financial Officer of that company and had held various positions with that company since 1973. Mr. Huston is a director of Unisys Corporation, Answerthink, Inc. and Enterasys Networks, Inc.
C. William Kaman II	Mr. Kaman, 50, has been a Director since 1992 and is Vice Chairman of the board of directors of the corporation. He is Chairman and CEO of AirKaman of Jacksonville, Inc., an entity unaffiliated with the corporation. Previously he was Executive Vice President of the corporation and was President of Kaman Music Corporation, a subsidiary of the corporation.
John C. Kornegay	Mr. Kornegay, 52, has been President of Kamatics Corporation, a subsidiary of the corporation, since 1999, and has held various positions with Kamatics Corporation since 1988.
Eileen S. Kraus	Ms. Kraus, 63, has been a Director since 1995. She is the retired Chairman of Fleet Bank Connecticut. She is a director of The Stanley Works

	and Rogers Corporation.
Paul R. Kuhn	Mr. Kuhn, 60, has been a Director since 1999. He has been President and Chief Executive Officer of the corporation since August 1999 and was appointed to the additional position of Chairman in April, 2001. From 1998 to 1999 he was Senior Vice President, Operations, Aerospace Engine Business, for Coltec Industries, Inc. Prior to that he was Group Vice President, Coltec Industries, Inc. and President of its Chandler Evans division. He is a director of the Connecticut Business and Industry Association.

Joseph H. Lubenstein	Mr. Lubenstein, 54, was appointed President of Kaman Aerospace Corporation, a subsidiary of the corporation, in July, 2001. Prior to that, he served for many years in a variety of senior management positions at Pratt & Whitney, a subsidiary of United Technologies Corporation, most recently as Vice President - Quality and Vice President - Materials.
Walter H. Monteith, Jr.	Mr. Monteith, 71, has been a Director since 1987. He is the retired Chairman of Southern New England Telecommunications Corporation.
Wanda L. Rogers	Mrs. Rogers, 69, has been a Director since 1991. She is President and Chief Executive Officer of Rogers Helicopters, Inc. She is also a director of Clovis Community Bank.
Robert H. Saunders, Jr.	Mr. Saunders, 60, became President of Kaman Music Corporation, a subsidiary of the corporation, in 1998. Prior to that, he served as Senior Vice President of the corporation from 1995 and also held the position of Senior Executive Vice President of Kaman Music Corporation during a portion of that period.
Richard J. Swift	Mr. Swift, 57, is a nominee for election as a director at the 2002 Annual Meeting of Shareholders. Mr. Swift is currently Chairman of the Financial Accounting Standards Advisory Council. In 2001, he retired as Chairman, President and Chief Executive Officer of Foster Wheeler Corporation, a provider of design, engineering, construction, manufacturing, research, plant operations and environmental services, a position he held since 1994. Prior to that, Mr. Swift held various positions at Foster Wheeler, having joined the company in 1972. Mr. Swift is a director of Ingersoll-Rand Company and Public Service Enterprise Group Incorporated.

~~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 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 16, 2002.~~

~~Section 16(a) Beneficial Ownership Reporting Compliance.~~

~~Based upon information provided to the corporation by persons required to file reports under Section 16(a) of the Securities Exchange Act of 1934, no Section 16(a) reporting delinquencies occurred in 2001.~~

~~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 one retired executive officer who would have been included in these tables but for the fact that he was not serving as an executive officer at December 31, 2001.~~

~~B) SUMMARY COMPENSATION TABLE.~~

		Annual Compensation			Long Term Compensation			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Comp.(1)	AWARDS RSA ($)(2)	Options/SARs (#Shares)	LTIP Payments	All Other Comp. ($)(3)
P. R. Kuhn Chairman,	2001	762,500	300,000		261,000	25,000/ 65,000		15,630
President and Chief Executive	2000	650,000	570,000	--------	154,688	20,000/ 50,000	---	11,924
Officer	1999	250,000(4)	360,000	--------	706,250	100,000/ 180,000	---	3,661
R.M.Garneau Executive	2001	450,000	150,000	--------	163,125	12,500/ 40,000	---	25,056
Vice President and	2000	425,000	310,000	--------	77,344	10,000/ 30,000	---	25,181
Chief Financial Officer	1999	400,000	175,000	--------	43,500	9,000/ 30,000	---	12,329

		Annual Compensation			Long Term Compensation			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Comp.(1)	AWARDS RSA ($)(2)	Options/SARs (#Shares)	LTIP Payments	All Other Comp. ($)(3)
T.J.Cahill President,	2001	280,000	90,000		97,875	9,000/ 20,000		15,077
Kaman Industrial	2000	260,000	160,000		41,250	6,000/ 15,000		15,670
Technologies Corporation	1999	255,000	51,000		36,250	7,500/ 15,000		7,449
C.A. Clark Sr. Vice	2001	255,000	68,000		138,656	10,500/ 0		11,339
President and Chief	2000	240,000	140,000	--------	51,563	7,500/ 0	---	12,590
Legal Officer	1999	225,000	75,000	--------	58,000	6,000/ 0	---	5,666
R.H.Saunders Jr. President,	2001	235,000	85,000	--------	81,563	8,000/ 15,000	---	15,681
Kaman Music Corporation	2000	210,000	110,000	--------	41,250	6,000/	---	13,832

						~~10,000~~		
	~~1999~~	~~200,000~~	~~61,000~~		~~58,000~~	~~6,000/~~		~~6,536~~
						~~5,000~~		
~~W.R. Kozlow~~	~~2001~~	~~325,000~~		~~66,196~~	~~114,188~~	~~10,500/~~		~~21,866~~
~~President,~~						~~20,000~~		
~~Kaman~~	~~2000~~	~~300,000~~	~~160,000~~	~~--------~~	~~61,875~~	~~9,000/~~	~~---~~	~~26,341~~
~~Aerospace~~						~~25,000~~		
~~Corporation~~	~~1999~~	~~275,000~~	~~140,000~~	~~--------~~	~~36,250~~	~~7,500/~~	~~---~~	~~18,150~~
~~(retired)~~						~~20,000~~		

~~1. The corporation maintains a program pursuant to which it provides a company vehicle to designated executives and reimburses such executives for the maintenance of the vehicle. Amounts reported in this column include $52,346 attributable to W.R. Kozlow.~~

~~2. As of December 31, 2001, aggregate restricted stock holdings and their year end value were: P.R. Kuhn, 58,000 shares valued at $904,800; R.M. Garneau, 22,300 shares valued at $347,880; T.J. Cahill, 13,900 shares valued at $216,840; C.A. Clark, 16,500 shares valued at $257,400; R.H. Saunders, Jr., 11,800 shares valued at $184,080; and W.R. Kozlow, no shares. Restrictions lapse at the rate of 20% per year for all awards, beginning one year after the grant date provided recipient remains an employee of the corporation or a subsidiary. Awards reported in this column are as follows: P. R. Kuhn, 16,000 shares in 2001, 15,000 shares in 2000 and 50,000 shares in 1999; R. M. Garneau, 10,000 shares in 2001, 7,500 shares in 2000, and 3,000 shares in 1999;~~

~~T. J. Cahill, 6,000 shares in 2001, 4,000 shares in 2000, and 2,500 shares in 1999; C.A. Clark, 8,500 shares in 2001, 5,000 shares in 2000, and 4,000 shares in 1999; R. H. Saunders, Jr., 5,000 shares in 2001, 4,000 shares in 2000, and 4,000 in 1999; W.R. Kozlow, 7,000 shares in 2001, 6,000 shares in 2000, and 2,500 shares in 1999. Dividends are paid on the restricted stock.~~

~~3. Amounts reported in this column consist of: P.R. Kuhn, $9,271 - Senior executive life insurance program ("Executive Life"), $4,250 - employer matching contributions to the Kaman Corporation Thrift and Retirement Plan (the "Thrift Plan employer match"); $2,109 - medical expense reimbursement program (MERP); R.M. Garneau, $7,340 - Executive Life, $851 - Officer 162 Insurance Program, $4,250 - Thrift Plan employer match, $1,865 - MERP, $10,750 - all supplemental employer contributions under the Kaman Corporation Deferred Compensation Plan ("supplemental employer contributions"); T. J. Cahill, $4,218 - Executive Life, $4,250 - Thrift Plan employer match, $1,610 - MERP, $5,000 supplemental employer contributions; C.A. Clark, $1,912 - Executive Life, $4,250 - Thrift Plan employer match, $1,352 - MERP, $3,825 - supplemental employer contributions; R.H. Saunders, Jr., $6,146 - Executive Life, $4,250 - Thrift Plan employer match, $2,885 - MERP, $2,400 - supplemental employer contributions; W.R. Kozlow, $13,444 - Executive Life, $4,250 - Thrift Plan employer match, $4,171 - MERP.~~

~~4. P.R. Kuhn joined the corporation on August 2, 1999 as~~

President and Chief Executive Officer.

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%($)
P. R. Kuhn	25,000/ 65,000	7.46/ 31.71	16.3125	2/13/11	923,295.92	2,339,813.15
R. M. Garneau	12,500/ 40,000	3.73/ 19.51	16.3125	2/13/11	538,589.29	1,364,891.00
T. J. Cahill	9,000/ 20,000	2.69/ 9.76	16.3125	2/13/11	297,506.46	753,939.79
C. A. Clark	10,500/ 0	3.13/ 0.00	16.3125	2/13/11	107,717.86	272,978.20
R. H. Saunders	8,000/ 15,000	2.39/ 7.32	16.3125	2/13/11	235,953.40	597,952.25
W. R. Kozlow	10,500/ 20,000	3.13/ 9.76	16.3125	2/13/11	312,894.73	792,936.68

*The information provided herein is required by Securities and Exchange Commission rules and is not intended to be a projection of future common stock prices.

**Stock Appreciation Rights (SARs) are payable in cash only, not in shares of common stock.

Options and SARs relate to the corporation's Class A common stock and vest at the rate of 20% per year, beginning one year after the grant date.

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

Name (a)	Shares acquired on Exercise(#) (b)	Value realized (c)	Number of Shares under lying Unexercised options at FY end (#) exercisable/ unexercisable (d)	Value of Unexercised in-the-money options* at FY end ($) exercisable/ unexercisable (e)
P. R. Kuhn	none	-	44,000/101,000	80,150/173,100.00
R. M. Garneau	3,000	26,625	44,600/30,900	172,172.50/52,940.00
T. J. Cahill	8,500	85,850	32,400/23,100	105,277.50/34,560.00
C. A. Clark	500	4,531	16,900/23,100	53,790.00/38,035.00
R. H. Saunders	none		12,000/19,000	30,300.00/30,750.00
W. R. Kozlow	3,000	22,140	69,000/0	210,600.00/0

Name (a)	SARs acquired on Exercise(#) (b)	Value realized (c)	Number of Unexercised SARs at FY end (#) exercisable/ unexercisable (d)	Value of Unexercised in the money SARs* at FY end ($) exercisable/ unexercisable (e)
P. R. Kuhn	none	none	82,000/213,000	159,075/370,800
R. M. Garneau	"	"	105,500/107,000	232,925/193,700
T. J. Cahill	"	"	53,500/54,000	116,452.50/96,850
C. A. Clark	"	"	0/0	0/0
R. H. Saunders	"	"	4,000/26,000	12,775/45,600
W. R. Kozlow	55,000	271,487.50	70,000/0	69,000/0

*Difference between the 12/31/01 Fair Market Value ($15.60 per share) and the exercise price(s).

E) LONG TERM INCENTIVE PLAN AWARDS: Except as described above, 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	32,889	44,071	54,596	65,778	65,778
150,000	40,389	54,121	67,046	80,778	80,778
175,000	47,889	64,171	79,496	95,778	95,778
200,000	55,389	74,221	91,946	110,778	110,778
225,000	62,889	84,271	104,396	125,778	125,778
250,000	70,389	94,321	116,846	140,778	140,778
300,000	85,389	114,421	141,746	170,778	170,778
350,000	100,389	134,521	166,646	200,778	200,778
400,000	115,389	154,621	191,546	230,778	230,778
450,000	130,389	174,721	216,446	260,778	260,778
500,000	145,389	194,821	241,346	290,778	290,778
750,000	220,389	295,321	365,846	440,778	440,778
1,000,000	295,389	395,821	490,346	590,778	590,778
1,250,000	370,389	496,321	614,846	740,778	740,778
1,500,000	445,389	596,821	739,346	890,778	890,778
1,750,000	520,389	697,321	863,846	1,040,778	1,040,778
2,000,000	595,389	797,821	988,346	1,190,778	1,190,778

*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 125/129 Plan contributions but not deferrals under a non-qualified Deferred Compensation Plan), bonus and taxable income attributable to restricted stock awards, stock appreciation rights, and the cash out of employee stock options. Salary and bonus amounts for the named Executive Officers for 2001 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. Kuhn, $1,571,390; Mr. Garneau, $874,543; Mr. Cahill, $520,994; Ms. Clark, $442,863; Mr. Saunders, $384,848; Mr. Kozlow, $839,582.~~

~~Federal law imposes certain limitations on annual pension benefits under the Pension Plan. For the named executive officers who are participants, 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 December 31, 2001, had the number of years of credited service indicated: Mr. Kuhn - 6.0; Mr. Garneau - 20.48 years; Mr. Cahill - 26.7 years; Ms. Clark - 17.0; Mr. Saunders - 7.0; Mr. Kozlow - 41.7.~~

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

~~G) COMPENSATION OF DIRECTORS. In general, effective January 1, 2002, non-employee members of the Board of Directors of the corporation receive an annual retainer of $25,000 and a fee of $1,200 for attending each meeting of the Board and each meeting of a Committee of the Board, except that the Chairman of each committee receives a fee of $1,600 for attending each meeting of that Committee. The Vice Chairman is entitled to a fee of $2,500 per meeting when serving as the Chairman. Such fees may be received on a deferred basis. In addition, each non-employee director will receive a Restricted Stock Award for 500 shares (issued pursuant to the corporation's Stock Incentive Plan), providing for immediate vesting upon election as a director at the corporation's 2002 Annual Meeting of Shareholders.~~

~~H) EMPLOYMENT CONTRACTS AND TERMINATION, SEVERANCE AND CHANGE OF CONTROL ARRANGEMENTS. The corporation has an arrangement with Mr. C. H. Kaman that provides for him to receive an amount equal to his then current annual base salary for the remainder of~~

~~his life as a result of his becoming disabled during active employment. Mr. Kaman became so disabled effective December 31, 2000.~~

~~In addition, the corporation has entered into Employment Agreements and Change in Control Agreements with certain executive officers, copies of which were filed as exhibits to the following filings made by the corporation with the Securities and Exchange Commission: Form 10-Q (Document 54381-99-14) filed on November 12, 1999; Form 10-K (Document No. 54381-00-03 filed on March 21, 2000; and Form 10-Q (Document 54381-00-500006) filed on November 14, 2000. Form 10-Q filed August 14, 2001 (Document No. 0000054381-01-500011 and Form 10-Q filed November 14, 2001 (Document No. 0000054381-01-500016. The employment agreements do not have a fixed term and generally provide for a severance payment to be made to any such officer if he or she is terminated from employment (other than for willful failure to perform proper job responsibilities or violations of law) or if he or she leaves employment for good reason (e.g., due to a diminution in job responsibilities). The change in control agreements generally provide that, for a three year period following a change in control of Kaman Corporation or, in certain cases, a subsidiary thereof, a severance payment will be made to any such officer if his or her employment ends following the change in control (unless the termination was for cause, the officer dies or becomes disabled or if he or she leaves employment without good reason). The change in control agreements do not have a fixed term.~~

~~Admiral Hardisty's consulting agreement with the Corporation has been renewed for a period of one year effective March 1, 2002 at a per diem rate of $1,000.00. A copy of such agreement is attached as Exhibit 10(f)(I).~~

~~The corporation has also entered into an agreement with Walter Kozlow retaining him as a consultant for a period of two years following his retirement from regular employment effective December 31, 2001 at an annual rate of $242,500. A copy of such agreement was attached to the corporation's Form 10-Q filed with the Securities and Exchange Commission on August 14, 2001.~~

~~Except as disclosed in Item 13, and except as described above and in connection with the corporation's Pension Plan and the corporation's non qualified Deferred Compensation Plan, the corporation has no other 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: Frank C. Carlucci, Brian E. Barents, Eileen S. Kraus, and Walter H. Monteith, Jr.~~

~~None of these individuals was an officer or employee of the corporation or any of its subsidiaries during either the last fiscal year or any portion thereof in which he or she served as a member of the Personnel and Compensation Committee.~~

~~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 Beneficially Owned as of February 1, 2002	Percentage of Class
Class B	Charles H. Kaman Kaman Corporation 1332 Blue Hills Avenue Bloomfield, CT 06002	258,375(1),(2)	38.69%
	Holders of Mr. Kaman's Power of Attorney c/o John C. Yavis, Jr. Murtha Cullina LLP CityPlace I 185 Asylum Street Hartford, CT 06105	see above	
Class B	Newgate Associates Limited Partnership c/o Murtha Cullina, LLP CityPlace I 185 Asylum Street Hartford, CT 06103	199,802(3),(4)	29.91%
	Voting Trustees pursuant to a Voting Trust Agreement, dated as of August 14, 2000 c/o John C. Yavis, Jr. Murtha Cullina LLP CityPlace I 185 Asylum Street Hartford, CT 06105	see above	
Class B	C. William Kaman, II c/o AirKaman of Jacksonville, Inc. Jacksonville International Airport 14700 Yonge Drive Jacksonville, FL 32218	64,446(5)	9.65%

~~Class B~~	~~Robert D. Moses~~ ~~Farmington Woods~~ ~~Avon, CT 06001~~	~~51,177(6)~~	~~7.66%~~

~~(1) Excludes 1,471 shares held by Mrs. Kaman. Mr. Kaman shares beneficial ownership of these shares with the holders of a Power of Attorney, as described in note (2) below.~~

~~(2) The power to vote Mr. Kaman's shares of Class B common stock is shared through a durable power of attorney (the "Power of Attorney") with certain individuals who have the authority to vote Mr. Kaman's shares by majority vote. These individuals are: John S. Murtha, a director emeritus of the corporation and of counsel to Murtha Cullina LLP, counsel to the corporation, Robert M. Garneau, Executive Vice President and Chief Financial Officer of the corporation, Roberta C. Kaman, Mr. Kaman's wife, C. William Kaman II, Mr. Kaman's son and a director and Vice Chairman of the Board of the corporation, Steven W. Kaman, Mr. Kaman's son, and Cathleen H. Kaman Wood, Mr. Kaman's daughter.~~

~~(3) These shares are subject to a voting trust agreement dated August 14, 2000 (the "Voting trust"), as described in note (4) below. Newgate shares beneficial ownership of such shares with the voting trustees of such trust, as described in note (4) below.~~

~~(4) The power to vote the shares of Newgate Associates Limited Partnership is vested in eleven voting trustees (the "Voting Trustees") under the Voting Trust, which has a term of ten (10) years, subject to renewal. The Voting Trustees consist of the six (6) individuals identified in footnote (2) above and the following five (5) individuals: T. Jack Cahill, President of Kaman Industrial Technologies Corporation, a subsidiary of the corporation, Paul R. Kuhn, Chairman, President, and Chief Executive Officer of the corporation, Huntington Hardisty and Eileen S. Kraus, directors of the corporation, and John C. Yavis, Jr., a partner in the Hartford, Connecticut law firm, Murtha Cullina LLP, counsel to the corporation.~~

~~(5) Excludes 4,800 shares held as trustee for the benefit of certain family members.~~

~~(6) Includes 39,696 shares held by 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 and Director Nominee 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 Beneficially Owned as of February 1, 2002	Percentage of Class
Brian E. Barents	Class A	2,500	*
T. Jack Cahill	Class A	90,456(1)	*
E. Reeves Callaway	Class A	2,500	*
Frank C. Carlucci	Class A	5,500(2)	*
Laney J. Chouest	Class A	4,423	*
Candace A. Clark	Class A	46,700(3)	*
	Class B	1,042	*
John A. DiBiaggio	Class A	2,500	*
Robert M. Garneau	Class A	105,150(4)	*
	Class B	23,236	3.48%
Huntington Hardisty	Class A	------(5)	*
Edwin A. Huston		TBD	
C. William Kaman, II	Class A	59,888(6)	*
	Class B	64,446(7)	9.65%
Walter R. Kozlow	Class A	116,500(8)	*
	Class B	296	*
Paul R. Kuhn	Class A	154,163(9)	*
	Class B	3,288	*
Eileen S. Kraus	Class A	3,304	*
Joseph H. Lubenstein	Class A	31,144(10)	*
Walter H. Monteith, Jr.	Class A	2,700	*
Wanda L. Rogers	Class A	2,500	*
Robert H. Saunders, Jr.	Class A	36,359(11)	*
	Class B	720	*
Richard J. Swift		TBD	
All Directors and Executive Officers	Class A	673,759(12)	3.12%
as a group **	Class B	93,148	13.90%

* Less than one percent.
** Excludes 21,900 Class A shares held by spouses of certain Directors and Executive Officers.

(1) Includes 40,200 shares subject to stock options exercisable or which will become exercisable within 60 days.
(2) Includes 5,000 shares held jointly with Mrs. Carlucci.
(3) Includes 23,700 shares subject to stock options exercisable or which will become exercisable within 60 days.
(4) Includes 54,400 shares subject to stock options exercisable or which will become exercisable within 60 days.
(5) Excludes 21,900 shares held by Mrs. Hardisty.
(6) Excludes 89,891 shares held by Mr. Kaman as Trustee, in which shares Mr. Kaman disclaims any beneficial ownership.
(7) Excludes 4,800 shares held by Mr. Kaman as Trustee in which shares Mr. Kaman disclaims any beneficial ownership.
(8) Includes 69,000 shares subject to stock options exercisable or which will become exercisable within 60 days.
(9) Includes 73,000 shares subject to stock options exercisable or which will become exercisable within 60 days.
(10) Includes 6,144 shares subject to stock options exercisable or which will become exercisable within 60 days.
(11) Includes 18,200 shares subject to stock options which will become exercisable within 60 days.
(12) Includes 284,644 shares subject to stock options which will become exercisable within 60 days.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During 2001, the corporation obtained legal services from

~~the Hartford, Connecticut law firm of Murtha Cullina LLP of which Mr. John S. Murtha, is of counsel and Mr. John C. Yavis, Jr. is a partner. Mr. Murtha, a director emeritus of the corporation, is currently one of six holders of a power of attorney described in footnote (2) to the table entitled~~

~~"Security Ownership of Certain Beneficial Owners", and a voting trustee of the Voting Trust described in footnote (4) of such table. Mr. Yavis currently serves as a voting trustee of the Voting Trust and as the general partner of Newgate Associates Limited Partnership.~~

~~Also in 2000, the corporation utilized the services of K-Power, S.A., a company controlled by Mr. Ivan Humberto Iraola Pellane as a sales representative in connection with the sale of the corporation's K-MAX and SH-2 helicopters for use in Peru. Mr. Iraola Pellane is the son-in-law of Mr. Walter Kozlow, a consultant to the corporation and formerly an Executive Officer of the corporation. The corporation's agreement with K-Power, S.A. with respect to the SH-2 helicopter provided for a fee of $3,000 per month for in-country support and marketing services and also provided for a commission of 2 1/2% on any sale of the SH-2 helicopter which may ensue. To date no such sales have occurred and in 2001 such agreement was terminated. The corporation's agreement with K-Power, S.A. with respect to the K-MAX helicopter provides for a commission arrangement of 5% on such sales with an additional 1% as compensation for after market support services. In December, 2000, the corporation was awarded a contract valued at $21 million with the U.S. State Department for the sale of five K-MAX helicopters for use in Peru. As of December 31, 2001, a total of $1,208,152.31 has been paid to K-Power, S.A.~~

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.

(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: Form 8-K's filed with the Securities and Exchange Commission on March 12, 2001 as Document No. 0000054381-01-500002; September 25, 2001 as Document No. 0000054381-01-500014; and December 11, 2001 as Document No. 0000054381-01-500019.

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 14th day of March, 2002.

KAMAN CORPORATION
(Registrant)

By Paul R. Kuhn, Chairman, President
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:
Paul R. Kuhn	Chairman, President, and Chief Executive Officer and Director	March 14, 2002
Robert M. Garneau	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 14, 2002
Paul R. Kuhn Attorney in Fact for:		March 14, 2002

Brian E. Barents	Director
E. Reeves Callaway, III	Director
Frank C. Carlucci	Director
Laney J. Chouest	Director
John A. DiBiaggio	Director
Huntington Hardisty	Director
C. William Kaman, II	Director
Eileen S. Kraus	Director
Walter H. Monteith, Jr.	Director
Wanda L. Rogers	Director

KAMAN CORPORATION AND SUBSIDIARIES

Index to Financial Statement Schedules

~~REPORT OF INDEPENDENT AUDITORS~~

~~KPMG LLP~~
~~Certified Public Accountants~~
~~One Financial Plaza~~
~~Hartford, Connecticut 06103~~

~~The Board of Directors and Shareholders~~
~~Kaman Corporation:~~

~~Under date of January 28, 2002, we reported on the consolidated balance sheets of Kaman Corporation and subsidiaries as of December 31, 2001 and 2000 and the related consolidated statements of operations, changes in shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2001, as contained in the 2001 annual report to shareholders. These consolidated financial statements and our report thereon are included in the annual report on Form 10-K for 2001. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule as listed in the accompanying index. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audits.~~

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

~~/s/ KPMG LLP~~

~~Hartford, Connecticut~~
~~January 28, 2002~~

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

YEAR ENDED DECEMBER 31, 1999

DESCRIPTION	BALANCE JANUARY 1, 1999	Additions: CHARGED TO COSTS AND EXPENSES	Additions: OTHERS	DEDUCTIONS	BALANCE DECEMBER 31, 1999
Allowance for doubtful accounts	$4,047	$1,355	$	$ 883(A)	$4,519
	======	======	======	======	======
Accumulated amortization	$1,488	$ 110	$	$	$1,598
of goodwill	======	======	======	======	======

YEAR ENDED DECEMBER 31, 2000

DESCRIPTION	BALANCE JANUARY 1, 2000	Additions: CHARGED TO COSTS AND EXPENSES	Additions: OTHERS	DEDUCTIONS	BALANCE DECEMBER 31, 2000
Allowance for doubtful accounts	$4,519	$1,490	$	$1,373(A)	$4,636
	======	======	======	======	======
Accumulated amortization	$1,598	$ 110	$	$	$1,708
of goodwill	======	======	======	======	======

YEAR ENDED DECEMBER 31, 2001

DESCRIPTION	BALANCE JANUARY 1, 2001	Additions: CHARGED TO COSTS AND EXPENSES	Additions: OTHERS	DEDUCTIONS	BALANCE DECEMBER 31, 2001
Allowance for doubtful accounts	$4,636	$ 868	$277(B)	$1,842(A)	$3,939
	======	======	======	======	======
Accumulated amortization	$1,708	$ 109	$-----	$-----	$1,817
of goodwill	======	======	======	======	======

(A) Write off of bad debts, net of recoveries.
(B) Additions to allowance for doubtful accounts attributable to acquisitions.

KAMAN CORPORATION

INDEX TO EXHIBITS

Exhibit 3a	The Amended and Restated Certificate of Incorporation of the corporation, as amended, has been filed with the Securities and Exchange Commission on form S-8POS on May 11, 1994, as Document No. 94-20.	by reference
Exhibit 3b	The By-Laws of the corporation as amended on February 9, 1999	by reference

	has been filed with the Securities and Exchange Commission on Form 10 K on March 16, 1999, as Document No. 99 03.	
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	Revolving Credit Agreement between the corporation and The Bank of Nova Scotia and Fleet National Bank as Co Administrative Agents and Bank One, N.A. as the Documentation Agent and The Bank of Nova Scotia and Fleet Securities, Inc. as the Co Lead Arrangers and Various Financial Institutions dated as of November 13, 2000 filed as Exhibit 4 to form 10 Q filed with the Securities and Exchange Commission on November 14, 2000, Document No. 54381 00 500006.	by reference

Exhibit 4c	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 Kaman Corporation 1993 Stock Incentive Plan as amended effective November 18, 1997 has been filed as an exhibit to the Corporation's Form 10 K Document No. 0000054381 98 09 filed with the Securities and Exchange Commission on March 16, 1998 as amended by Document No. 0000054381 98 13 filed on March 27, 1998; by Document No. 0000054381 00 500006 filed on November, 14, 2000) and as an exhibit to the Corporation's Form 10 K Document No. 0000054381 00 500005 filed on March 15, 2001.	by reference
Exhibit 10b	The Kaman Corporation Employees Stock Purchase Plan as amended effective November 19, 1997 has been filed as an exhibit to the Corporation's Form 10 K Document No. 0000054381 98 09 filed with the Securities and Exchange Commission on March 16, 1998 (as amended by Document No. 0000054381-98-13 on March 27, 1998) and is incorporated in this report by reference.	by reference
Exhibit 10c	Kaman Corporation Supplemental Employees' Retirement Plan, as amended	by reference

Exhibit 10d	Fifth Amendment to Kaman Corporation Deferred Compensation Plan (As Amended and Restated Effective as of January 1, 1994).	attached
Exhibit 10e	Kaman Corporation Cash Bonus Plan (Amended and Restated Effective as of January 1, 2002) and First Amendment thereto.	attached

Exhibit 10f	Employment Agreements and Change in Control Agreements with certain executive officers have been filed as exhibits to the following filings by the corporation with the Securities and Exchange Commission: Form 10 Q (Document No. 54381 99 14) filed November 12, 1999; Form 10 K (Document No. 54381 00 03) filed March 21, 2000; Form 10 Q (Document No. 54381 00 500006) Filed November 14, 2000; and Form 10 Q (Document No. 54381 01 500015) filed November 14, 2001.	by reference
Exhibit 10f(I)	Agreement between Kaman Aerospace Corporation and Huntington Hardisty effective March 1, 2002.	attached
Exhibit 10g	Notice of change of control filed as Exhibit 99 to the corporation's Form 8 K dated August 16, 2000 as Document No. 54381-00-000010.	by reference
Exhibit 11	Statement regarding computation of per share earnings.	attached
Exhibit 13	Portions of the Corporation's 2001 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 10d

FIFTH AMENDMENT
TO
KAMAN CORPORATION DEFERRED COMPENSATION PLAN
(AS AMENDED AND RESTATED EFFECTIVE JANUARY 1, 1994)

THIS AMENDMENT made this 6th day of November, 2001, by Kaman Corporation, hereinafter referred to as the "Corporation", for the purpose of amending certain provisions of the Deferred Compensation Plan,

WITNESSETH:

WHEREAS, the Corporation amended and restated the Kaman Corporation Deferred Compensation Plan (hereinafter referred to as the "Plan") by written Plan instrument adopted generally effective as of January 1, 1994, and further amended the same by a First Amendment thereto effective January 1, 1997, a Second Amendment thereto effective September 9, 1997, a Third Amendment thereto

~~effective January 1, 2000, and a Fourth Amendment thereto effective November 14, 2000; and~~

~~WHEREAS, the Corporation reserved the right to amend the Plan in Section 8 thereof; and~~

~~WHEREAS, the Corporation desires to amend the Plan in the following particular;~~

~~NOW, THEREFORE, the Corporation hereby amends the Plan as follows:~~

~~1. Section 5.1 is amended to read as follows, effective November 6, 2001:~~

~~"5.1 Distributions After Lapse of Years. (a) In connection with each Deferral Election, a Participant may also elect to receive a distribution of that portion of his Account Balance equal to the Deferral Amount for that Plan Year plus any interest credited thereon after the lapse of seven or more Plan Years as specified in the Election Form.~~

~~(b) Any such distribution shall be made in a lump sum no later than ninety (90) days after the lapse of the number of Plan Years specified in the Election Form. Notwithstanding any provision herein to the contrary, no interest shall be credited on the Account Balance for any period subsequent to the last day of the last Plan Year in the lapse period.~~

~~(c) Effective November 6, 2001, a Participant who has made a "lapse of years" election pursuant to this Section 5.1 may change his election to an election to have his Account Balance distributed upon Retirement under Section 4.2, in a lump sum or in installments as permitted thereunder. As part of such election, the Participant shall indicate whether he wishes the lump sum payment to be made or the installment payments to commence (i) on the fist day of the third month following the date the Participant Retires, or (ii) on the later of (A) the first day of the third month following the date the Participant Retires or (B) on the second day of the January next following the date the Participant Retires. The election shall be made on the form prescribed by the Committee. The following additional rules shall apply:~~

~~(i) Any such election to change a "lapse of years" election shall only be effective if filed with the Committee prior to the beginning of the final Plan Year of the original specified period.~~

~~(ii) Notwithstanding the foregoing, if the Participant retires within one (1) year of a change made under this paragraph (c), that change shall be null and void.~~

~~(iii) If a Participant makes an election under this paragraph (c) to change from a "lapse of years" election to an election to have his Account Balance distributed upon Retirement under Section 4.2, and the Participant thereafter wants to make one or more subsequent changes thereto, any subsequent change shall be governed by and in accordance with the provisions of Section 4.2, including the provision that if the event which triggers the distribution occurs within one (1) year of such change, that change shall be totally null and void."~~

~~2. As hereinabove modified and amended, the Plan as amended shall remain in full force and effect.~~

~~3. This Amendment is effective as of November 6, 2001.~~

~~IN WITNESS WHEREOF, the Corporation has caused this Amendment to be executed by one of its duly authorized officers.~~

~~WITNESS~~ ~~KAMAN CORPORATION~~

~~/s/ Marie A. Okun~~ ~~/s/ Paul R. Kuhn~~

~~Its president and CEO~~

EXHIBIT 10e

KAMAN CORPORATION
CASH BONUS PLAN
(Amended and Restated Effective as of January 1, 2002)

1. Plan Name, Objective and Administration.

a. Plan Name. The name of this Plan is the Kaman Corporation Cash Bonus Plan (the "Bonus Plan"). This plan supersedes and replaces that certain Cash Bonus Plan which was amended and restated by the Board of Directors of Kaman Corporation (the "Board") as of September 21, 1999, which was subsequently amended by a First Amendment thereto.

b. Objective. The objective of the Bonus Plan is to provide an incentive for certain employees of Kaman Corporation ("Kaman") and its subsidiaries (each subsidiary being referred to as a "Business Unit" and collectively with Kaman, the "Company") to perform at levels beyond those ordinarily associated with competent fulfillment of the roles and responsibilities of their positions.

c. Administration. The Bonus Plan will be administered by a committee (the "Plan Administrators") consisting of the Chief Executive Officer, Chief Financial Officer, and Chief Legal Officer.

2. Eligibility to Participate.

a. The employees eligible to participate ("Participant" or collectively, "Participants") in the Bonus Plan for a particular Award Year shall be determined annually and shall be those persons designated as Key Management Personnel under the Kaman Corporation Compensation Administration Plan.

3. Initial Target Bonus Opportunity.

a. Each year, the Plan Administrators assign a target bonus opportunity percentage ("TBO") to each salary grade. A Participant's Initial Target Bonus Opportunity is determined by multiplying the applicable TBO times the Participant's base annual salary.

4. Fund Determinations.

a. Initial Target Bonus Pool. The sum of the individual Initial Target Bonus Opportunities determined under Section 3 will determine the Initial Target Bonus Pool.

b. Modified Target Bonus Pool. The Initial Target Bonus Pool shall be modified by the then estimated satisfaction of the performance objectives described in Sections 6 and 7 hereof for the Award Year. Kaman will budget an appropriate estimated amount and accrue it over the course of the Award Year. Following the conclusion of the Award Year, the Modified Target Bonus Pool will be adjusted to reflect the actual Performance Ratings of Kaman and the various Business Units.

c. Maximum Target Bonus Pool. Subject to the provisions of this Bonus Plan, the Maximum Target Bonus Pool shall not exceed two times (200%) the Initial Target Bonus Pool.

d. Special Circumstances. The Board shall have the authority and discretion to evaluate significant or extraordinary circumstances affecting the business of Kaman and/or any Business Unit during an Award Year and, if the Board deems it appropriate,

~~to (i) establish a maximum bonus fund which is greater than would otherwise be authorized under the formula described in this Section 4; and (ii) use the fund to pay cash bonus awards to some or all of the Participants as it determines.~~

~~5. Award Year.~~

~~a. Fiscal Year. The Award Year shall be, and shall coincide with, Kaman's fiscal year, commencing January 1 of each year and concluding on December 31 of each year.~~

~~b. Circumstances Affecting Participation. Should any Participant have been employed for less than a full Award Year or cease to be in the Company's service for any reason prior to the end of the Award Year, neither the Participant nor, in the case of death or incompetency, such individual's personal representatives, heirs, executors, administrators or assigns shall be entitled to any distribution of a cash bonus award for the Award Year except and to such extent, if any, as the Plan Administrators and the Personnel and Compensation Committee of the Board shall determine to be fair and equitable.~~

~~6. Performance Objectives for Business Unit Participants.~~

~~a. Applicability. The provisions of this Section 6 shall apply to Business Unit Participants, i.e. Participants who are employed by a subsidiary of Kaman Corporation. Furthermore, the provisions of Section 7 hereof shall not apply to Business Unit Participants.~~

~~b. In General. The Modified Target Bonus Opportunity for Business Unit Participants shall be calculated solely based upon the performance of the Business Unit the Participant works for,~~

~~using growth in operating profit ("OP Growth") of the Business Unit, return on total capital ("ROI") of the Business Unit, and such other factors as the Personnel and Compensation Committee may determine to be applicable to the Business Unit, as the financial performance goals. This Section 6 describes the approach to be followed in determining the Modified Target Bonus Opportunity for Business Unit Participants. Without limiting the authority provided by Section 10(b), the Plan Administrators are authorized to prescribe reasonable rules of operation and to resolve any ambiguities or matters of interpretation, provided such rules and interpretations are consistent with the approach provided herein. Furthermore, the Personnel and Compensation Committee is authorized to include or exclude special items in determining a Business Unit's OP Growth and/or ROI performance, provided that the approach taken is followed consistently from year to year.~~

~~c. OP Growth. The OP Growth for a Business Unit for the Award Year will be calculated. The Personnel and Compensation Committee shall determine the appropriate percentage weighting that OP Growth should have, and shall determine the number of points earned based upon whether the goal was achieved or exceeded and based upon the percentage weighting assigned to OP Growth.~~

~~d. Return on Total Capital. The ROI for a Business Unit shall be measured on a pre tax operating profit basis. The target ROI for a Business Unit shall be the moving average of the ROI for the Business Unit for the prior three years, as determined by the Personnel and Compensation Committee. Such three year moving averages shall be computed with reference to minimum and maximum performance levels, as established by the Personnel and Compensation Committee. The Personnel and Compensation Committee shall determine the appropriate percentage weighting that ROI shall have in total, and that the various comparison measurements of ROI shall have. Such comparison measurements include comparing budget versus target, actual performance versus budget, and actual performance versus target. Points shall be earned based upon whether goals are achieved or exceeded, and with reference to the percentage weightings assigned. The number of points earned for any level of ROI shall be determined by the Personnel and Compensation Committee.~~

~~e. Other Factors. The Personnel and Compensation Committee is authorized to utilize other factors in addition to OP Growth and ROI as financial performance goals. Any goals established with respect to such other factors will be given a percentage weighting by the Personnel and Compensation Committee. Points shall be~~

~~earned based upon whether such goal was achieved or exceeded, and with reference to the percentage weighting assigned to the goal. The number of points earned for achieving or exceeding any such goal shall be determined by the Personnel and Compensation Committee.~~

~~f. Conversion of Points to Target Award Earned. The total points earned under paragraphs (c), (d) and (e) above shall convert to the percent of Target Award Earned, as determined by the Personnel and Compensation Committee. The percent of the Target Award Earned for a Business Unit may range from 0% to 200%.~~

~~g. Computation of Modified Target Bonus Opportunity. The percent of the Target Award Earned shall be multiplied by the Participant's Initial Target Bonus Opportunity, and the result shall equal the Participant's Modified Target Bonus Opportunity.~~

~~h. Initial Factor Weightings and Point Ranges. Attachment A sets forth the factor weightings and point ranges established by the Personnel and Compensation Committee for the 2002 Award Year. Attachment A is subject to modification from time to time by the Personnel and Compensation Committee as the Committee carries out the provisions of this Section 6.~~

~~7. Performance Objectives for Corporate Participants.~~

~~a. Applicability. The provisions of this Section 7 shall apply to Corporate Participants, i.e. Participants who are employed by Kaman Corporation at its headquarters location. Furthermore, the provisions of Section 6 hereof shall not apply to Corporate Participants.~~

~~b. In General. The Modified Target Bonus Opportunity for Corporate Participants shall be calculated solely based upon the consolidated performance of the Company, using growth in earnings per share ("EPS Growth") and return on total capital ("ROI") as the financial performance goals. Financial performance is determined by comparing the EPS Growth and ROI performance of the Company for the applicable Award Year with comparable numbers for the Standard & Poor's 600 and the Russell 2000 indices averaged over the prior 5 year period. For example, for Award Year 2002, the numbers for the Company for EPS Growth and ROI will be compared to comparable numbers for EPS Growth and ROI for the Standard and Poor's 600 and the Russell 2000 indices averaged for 1997 - 2001. This Section 7 describes the approach to be followed in determining the Modified Target Bonus Opportunity for Corporate Participants. Without limiting the authority provided by Section 10(b), the Plan~~

~~Administrators are authorized to prescribe reasonable rules of operation and to resolve any ambiguities or matters of~~

~~interpretation, provided such rules and interpretations are consistent with the approach provided herein. Furthermore, the Personnel and Compensation Committee is authorized to include or exclude special items in determining the Company's EPS Growth and/or ROI performance, provided that the approach taken is followed consistently from year to year.~~

~~c. EPS Growth. The EPS Growth for the Company for the Award Year will be calculated. Calculations of average EPS Growth for the S&P 600 and the Russell 2000 for the prior five (5) years shall also be made, and shall be averaged together, giving equal weight to both indices. Percentile rankings shall be developed. The Personnel and Compensation Committee shall establish percentages of initial target bonus opportunity earned for EPS Growth corresponding to the various percentile rankings. The percent of the Initial Target Bonus Opportunity earned for EPS Growth for an Award Year shall be determined by the Plan Administrators based upon the percentile ranking of the Company.~~

~~d. Return on Total Capital. The ROI for the Company for the Award Year will be calculated. Calculations of average ROI for the S&P 600 and the Russell 2000 for the prior five (5) years shall also be made, and shall be averaged together, giving equal weight to both indices. Percentile rankings shall be developed. The Personnel and Compensation Committee shall establish percentages of initial target bonus opportunity earned for ROI corresponding to the various percentile rankings. The percent of the Initial Target Bonus Opportunity earned for ROI for an Award Year shall be determined by the Plan Administrators based upon the percentile ranking of the Company.~~

~~e. Percentile Calculations. The percentile ranking of the Company must be at least 25th for EPS Growth in order to generate a percentage of initial target bonus opportunity earned for EPS Growth. The percentile ranking of the Company must be at least 25th for ROI in order to generate a percentage of initial target bonus opportunity earned for ROI. If the Company is in at least the 75th percentile for either category (EPS Growth or ROI), it will generate the maximum award with respect to that category. The Personnel and Compensation Committee may, but shall not be required to, extend the maximum award earned for either EPS Growth or ROI, from 100% to a larger percentage. In making calculations and determinations hereunder, in no event will the 25th percentile for EPS Growth or ROI for either the S&P 600 5 year average or the Russell 2000 5 year average be considered to be less than zero.~~

~~f. Computation of Modified Target Bonus Opportunity. The percentages of Initial Target Bonus Opportunity earned for EPS Growth and ROI, determined in accordance with the foregoing, shall be added together. This combined percentage may be greater than 100%. This combined percentage, when multiplied by a Corporate Participant's Initial Target Bonus Opportunity, shall equal the Corporate Participant's Modified Target Bonus Opportunity.~~

~~8. Participant Actual Cash Bonus Award Determinations.~~

~~a. The Modified Target Bonus Opportunity for each Participant shall be further modified, positively or negatively, to reflect the individual's performance. The Plan Administrators will evaluate each Participant's individual performance in consultation with his or her supervisory management and based thereon, shall make recommendations to the Personnel and Compensation Committee of the Board for Actual Cash Bonus Awards, which will approve or disapprove the recommendations based upon its review thereof. The Personnel and Compensation Committee will evaluate the performance of the Plan Administrators and based thereon shall determine the Actual Cash Bonus Awards for those individuals. Final approval of all Actual Cash Bonus Awards shall be made by the Board.~~

~~9. Form, Method, and Timing of Payments.~~

~~a. All bonus awards are to be paid in cash (i.e., payroll check) no later than March 15 next following the end of the applicable Award Year.~~

~~10. General.~~

~~a. Amendment, Suspension or Termination. On the recommendation of the Plan Administrators and the Personnel and Compensation Committee of the Board, the Board may amend, suspend, or terminate the Bonus Plan, or any part thereof, at any time, provided however, that no amendment, suspension or termination shall apply to the payment to any Participant of an award made prior to the effective date of such amendment, suspension or termination.~~

~~b. Administration; Interpretation. The Plan Administrators shall be responsible for the interpretation and administration of the Bonus Plan, provided that the determination of the Personnel and Compensation Committee of the Board on any question concerning the interpretation or administration of the Bonus Plan, or with respect to the officers and employees participating or entitled to participate in the Bonus Plan, or as to any payment made or to be made pursuant thereto, shall be final and conclusive.~~

~~c. No Rights to Employment. The Bonus Plan does not confer upon any employee any right to payment of a cash bonus or any right to continued employment with Kaman or any Business Unit, nor does it interfere in any way with the right of Kaman or a Business Unit to terminate, or amend the terms of, the employment of any of its employees, at any time, in accordance with the "at will" employment relationship.~~

~~11. Effective Date.~~

~~The Effective Date of this Amendment and Restatement is January 1, 2002. This Amendment and Restatement shall apply to Award Years beginning on or after January 1, 2002.~~

~~IN WITNESS WHEREOF, Kaman Corporation hereby executes this Amendment and Restatement as of the 6th day of November, 2001.~~

~~ATTEST:~~	~~KAMAN CORPORATION~~
~~/s/Candace A. Clark~~	~~/s/ Robert M. Garneau~~
~~Secretary~~	~~Its Executive Vice President & CFO~~

ATTACHMENT A

FACTOR WEIGHTING AND POINT RANGE

			Minimum		Target		Maximum	
Factor	Measurement	Weighting	Performance	Points Earned	Performance	Points Earned	Performance	Points Earned
Budget vs Target ROI	% of budget vs target	20%	50% Budget vs Target	0	100% Budget vs Target	20	125% Budget vs Target	40
Performance vs Budget ROI	% of actual ROI vs. budgeted ROI	20%	50% Perf. vs Budget	0	100% Perf. vs Budget	20	125% Perf. vs Budget	40
Performance vs Target-ROI	Actual ROI - for example KIT	40%	50% Perf. vs Target	0	100% Perf. vs Target	40	125% Perf. vs Target	80
Growth in Earnings-Operating Profit	% growth in oper. profit	20%	0% Profit Growth	0	8% Profit Growth	20	12% Profit Growth	40
Other	Other	20%		0		20		20

Range of points based on % accomplishment of goal (0-200%)

Conversion Chart Example

~~Total Points Earned~~	~~Percent of Target Award Earned~~
~~Below 50~~	~~0~~
~~50~~	~~20~~
~~60~~	~~30~~
~~70~~	~~45~~
~~80~~	~~60~~
~~90~~	~~80~~
~~100~~	~~100~~
~~110~~	~~120~~
~~120~~	~~140~~
~~130~~	~~160~~
~~140~~	~~180~~
~~150 & above~~	~~200~~

~~FIRST AMENDMENT TO~~
~~KAMAN CORPORATION~~
~~CASH BONUS PLAN~~
~~(Amended and Restated as of January 1, 2002)~~

~~The Kaman Corporation Cash Bonus Plan is hereby amended by a First Amendment. The Effective Date of this Amendment is February 12, 2002.~~

~~1. Paragraph c of Section 1 is amended by deletion of the words "Chief Legal Officer" and substitution of the phrase "Vice President - Human Resources of Kaman."~~

~~2. Except as modified and amended by this document, the Kaman Corporation Cash Bonus Plan shall remain in full force and effect.~~

~~IN WITNESS WHEREOF, Kaman Corporation hereby executes this Amendment as of the 12th day of February, 2002.~~

~~ATTEST:~~	~~KAMAN CORPORATION~~
~~/s/ Candace A. Clark~~	~~/s/ Robert M. Garneau~~
~~Secretary~~	~~Its Executive Vice President & CFO~~

~~EXHIBIT 10(f)(I)~~

~~CONSULTANT'S AGREEMENT~~

~~THIS AGREEMENT, effective this 1st day of March 2002 by and between Kaman Aerospace Corporation, a corporation organized and existing under the laws of the State of Delaware and having its office and principal place of business in Bloomfield, Connecticut (hereinafter called "Kaman"), and Admiral Huntington Hardisty, U.S. Navy (Retired) of 45 Bloomfield Avenue, Hartford, Connecticut 06105, Social Security Number ### ## #### (hereinafter called "Consultant").~~

~~WITNESSETH:~~

~~WHEREAS, Kaman's business relates to aerospace products and technology; and~~

~~WHEREAS, Consultant has special qualifications in the areas of aerospace management, strategic planning, contracting and marketing activities, and related disciplines; and~~

~~WHEREAS, the parties hereto have agreed to utilize Admiral Hardisty's services as Consultant to the President to advise and consult in connection with Kaman's business in such fields upon conditions hereinafter set forth:~~

~~NOW, THEREFORE, in consideration of the premises, the parties hereto mutually agree as follows:~~

~~1. Consultant shall furnish to Kaman during the term of this Agreement such services commensurate with his knowledge and experience as Kaman from time to time may reasonably require. The term of this Agreement shall be for a period of one (1) year commencing on the effective date of this Agreement and expiring 28 February 2003.~~

~~2. Consultant's services shall be performed at such locations as Kaman may reasonably request to participate in management briefings, strategic planning sessions, or other consultations as required. All services to be performed under this Agreement will be specifically directed by Kaman's President or his designee.~~

~~3. For his services, the Consultant shall be paid at the per diem rate of One Thousand Dollars ($1,000.00) for each day of service required by Kaman and performed by Consultant. Kaman will~~

~~guarantee payment to Consultant for a minimum of sixty (60) days per year during the term of this Agreement. Consultant will be paid on a payment schedule of Five Thousand Dollars ($5,000.00) per month through the term of this Agreement to support the minimum annual guarantee of Sixty Thousand Dollars ($60,000.00) (equivalent of sixty (60) days of service per year). In the event that the Consultant provides services in excess of the minimum annual guarantee of sixty (60) days, Kaman will pay Consultant his per diem rate. Payments shall be made monthly at the end of each month during the term of this Agreement.~~

~~4. Consultant shall be reimbursed by Kaman for Consultant's out-of-pocket business expenses incurred in rendering his services, provided such expenses are directly incident to the performance of his services under this Agreement and that such expenses have been approved in advance by Kaman's designated representative. Such expenses shall include airlines fare, hotel bills, entertainment expenses, and other reasonable and proper expenses incurred in performing consulting work for Kaman. Consultant agrees to provide receipts for said expenses.~~

~~5. Consultant shall keep such time records as Kaman may reasonably require. Kaman shall provide Consultant with Internal Revenue Service Form 1099 "U.S. Information Return" annually within the time provided by law for any calendar year coming within the term of this Agreement. Consultant agrees that he is obligated to pay all appropriate federal, state and local income taxes and sales or other taxes relating to this Agreement and to comply with all federal, state and local laws regarding same and further agrees to indemnify and hold Kaman harmless from any and all liability which may result from Consultant's failure to do so or from Kaman's not withholding amounts for sales or income tax or FICA. It is expressly agreed by and between Consultant and Kaman that the applicable Consultant's fee shall be the total compensation due Consultant and Consultant is not eligible for any Kaman benefits including but not limited to insurance programs, workers compensation benefits, medical benefits, vacation pay and personal time. It is understood and agreed that Consultant shall maintain his own insurance coverage, as appropriate, to cover medical, automobile and general liability (and workers compensation, if applicable) in generally acceptable amounts and Consultant shall provide Kaman with certificate or certificates evidencing such coverage at Kaman's request.~~

~~6. Consultant shall use his best efforts to perform successfully the tasks assigned to him by Kaman and shall not, without the prior written consent of Kaman, directly or indirectly, divulge information concerning or touching upon the work performed by him for Kaman. It understood that disclosure of information relating to work under Government contracts of a restricted nature to any person not entitled to receive the same, or failure to safeguard all classified matter which may come to the knowledge of Consultant in connection with such work, may subject Consultant to criminal liability under the laws of the United States.~~

~~7. Consultant represents that there are no agreements or understandings between Consultant and any other person, partnership or corporation which prohibits the execution of the Agreement or the performance of the obligations hereunder.~~

~~8. Consultant may terminate this Agreement with or without cause at any time. In any event, Consultant agrees to provide at least thirty (30) days prior written notice of his intent to terminate this Agreement, if such termination is to be earlier than 28 February 2003. It is expressly agreed that upon termination of this Agreement, all rights and obligations of the parties hereunder shall cease and terminate except for: 1) the payment of Consultant's fees and reimbursements of business expenses arising hereunder prior to the effective date of such termination, and 2) the obligation of confidentiality set forth in paragraph 6 above.~~

~~9. The parties intend and agree that Consultant is acting and will act as an independent contractor and not as an employee of Kaman in performance of his services under this Agreement. During the term of this Agreement, Consultant shall not in any manner be engaged in or concerned with any business competitive with any business related to the consulting activities performed hereunder.~~

~~10. This Agreement shall be interpreted under the laws of the State of Connecticut. Any controversy or claim arising out of or relating to this Agreement, or breach hereof shall be settled by arbitration to be held at Hartford, Connecticut in accordance with the rules of the American Arbitration Association and judgment upon the award rendered thereunder by the arbitrator(s) may be entered~~

~~in any court having jurisdiction thereof.~~

~~11. This Agreement constitutes the entire agreement of the parties and shall be binding on or inure to the benefit of the parties hereto. It is understood and agreed that this Agreement is personal to the Consultant and cannot be assigned or otherwise alienated in any manner.~~

~~IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in duplicate the day and year first above written.~~

	~~KAMAN AEROSPACE CORPORATION~~
~~Richard Forsberg~~	
~~Witness~~	~~By Joseph H. Lubenstein~~
	~~Its President~~
~~February 4, 2002~~	~~February 4, 2002~~
~~Date~~	~~Date~~
	~~ADMIRAL HUNTINGTON HARDISTY~~
	~~U.S. NAVY (RETIRED)~~
~~Janet Whitehead~~	
~~Witness~~	~~By Huntington Hardisty~~
	~~Consultant~~
~~January 25, 2002~~	~~January 25, 2002~~
~~Date~~	~~Date~~

~~EXHIBIT 11~~
~~KAMAN CORPORATION AND SUBSIDIARIES~~
~~EARNINGS PER COMMON SHARE COMPUTATION~~

~~The computations and information required to be furnished in this Exhibit appear in the Corporation's Annual Report to Shareholders, which is filed herein as Exhibit 13 to this report, and is incorporated herein by reference.~~

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

	2001	2000	1999	1998	1997
OPERATIONS:					
Revenues	$ 876,945	$1,032,326	$ 997,177	$1,018,589	$1,056,289
Cost of sales	673,782	774,264	751,291	756,057	801,088
Selling, general and administrative expense	188,752	202,319	201,807	210,969	207,120
Restructuring costs	--	(1,680)	4,132	--	--
Operating income	14,411	57,423	39,947	51,563	48,081
Net gain on sale of businesses					80,351
Interest expense (income), net	623	(1,660)	(1,614)	(353)	7,894
Other expense (income), net	(1,876)	1,363	1,088	1,558	234
Earnings before income taxes	15,664	57,720	40,473	50,358	120,304
Income taxes	3,950	20,800	15,400	20,350	49,800
Net earnings	11,714	36,920	25,073	30,008	70,504
FINANCIAL POSITION:					
Current assets	$ 442,651	$ 482,000	$ 460,111	$ 516,504	$ 535,304
Current liabilities	141,260	173,342	168,374	228,975	259,525
Working capital	301,391	308,658	291,737	287,529	275,779
Property, plant and equipment, net	60,769	63,705	64,332	65,773	57,625
Total assets	521,946	553,830	534,203	587,230	598,161
Long term debt	23,226	24,886	26,546	28,206	29,867
Shareholders' equity	333,581	332,046	316,377	309,494	290,010
PER SHARE AMOUNTS:					
Net earnings per common share - basic	$ .52	$ 1.61	$ 1.07	$ 1.28	$ 3.53
Net earnings per common share - diluted	.52	1.57	1.05	1.23	2.86
Dividends declared - Series 2 preferred stock	--	--	--	--	13.00
Dividends declared - common stock	.44	.44	.44	.44	.44
Shareholders' equity - common stock	14.97	14.92	13.68	13.07	12.25
Market price range	19.50	17.75	16.13	20.38	20.38
	10.90	8.77	10.06	13.00	12.00

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

	2001	2000	1999	1998	1997
AVERAGE COMMON SHARES OUTSTANDING:					
Basic	22,364	22,936	23,468	23,407	18,941
Diluted	23,649	24,168	24,810	25,235	25,108
GENERAL STATISTICS:					
Registered shareholders	5,869	6,136	6,522	6,921	7,291
Employees	3,780	3,825	4,016	4,276	4,318

~~MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS~~
~~Kaman Corporation and Subsidiaries~~

~~RESULTS OF OPERATIONS~~

~~Consolidated revenues were $876.9 million for 2001, compared to approximately $1.0 billion for 2000 and 1999. Results for 2001 were adversely impacted by a second quarter sales and pre-tax earnings adjustment of $31.2 million attributable to the Aerospace segment and the phase-down of the Australia and New Zealand SH-2G helicopter programs, as well as a yearlong national economic decline that affected each of the corporation's business segments, but particularly the Industrial Distribution segment.~~

~~Substantially all of the Aerospace segment adjustment is associated with a change in estimated costs to complete the SH-2G(A) helicopter program for Australia. This adjustment has had the effect of lowering the profit rate on the Australia program. The cost growth is related to a contract dispute settlement with Litton Guidance and Control Systems (now part of Northrop Grumman) regarding development of an advanced Integrated Tactical Avionics System (ITAS) that is unique to this particular contract. The corporation has replaced Litton with two subcontractors for the balance of the ITAS software development work.~~

~~For 2000, all segments had increased revenues. In the Aerospace segment, helicopter programs and the aerostructure and helicopter subcontracting businesses were significant revenue contributors. The Industrial Distribution segment benefited from healthy market conditions and internal efficiency initiatives and Music Distribution segment results reflected improvement in domestic markets and some increase in demand internationally. Results for 1999 reflected the Aerospace segment's ongoing performance of Australia and New Zealand SH-2G contracts, offset by lower revenues in the K-MAX helicopter program and in the aerostructure and helicopter subcontracting businesses.~~

~~Aerospace segment net sales decreased 21.0% in 2001 compared to an increase of 2.7% in 2000 and a decrease of 2.9% in 1999. The decrease in 2001 is due to the sales and pre-tax earnings adjustment described above, the tapering off of~~

revenues from the SH-2G program as the Australia and New Zealand programs mature, and lower K-MAX program sales.

The Aerospace segment's programs include the SH-2G multi-mission maritime helicopter and the K-MAX medium-to-heavy external lift helicopter, along with spare parts and support (which together currently constitute about 40% of segment sales), aerostructure and helicopter subcontract work as well as manufacture of components such as self-lubricating bearings and driveline couplings for aircraft applications (currently about 40% of segment sales) and advanced technology products (currently about 20% of segment sales).

The SH-2G helicopter represents virtually all of the segment's helicopter program sales and generally consists of retrofit of the corporation's SH-2F helicopters to the SH-2G configuration or refurbishment of existing SH-2G helicopters. The SH-2, including its F and G configurations, was originally manufactured for the U.S. Navy. The SH-2G aircraft is currently operational with the Egyptian Air Force and the corporation is performing retrofit work under commercial contracts with the governments of Australia and New Zealand.

The program for New Zealand involves five (5) aircraft, and support, for the Royal New Zealand Navy. The contract has an anticipated value of about $186 million (US), of which about 94% has now been recorded as revenue. The corporation has delivered three SH-2G(NZ) helicopters, two of which have been provisionally accepted, and a fourth will be shipped pending completion of testing at the corporation's facilities in Bloomfield, CT, with final acceptance of all four aircraft expected to follow thereafter. The fifth aircraft, which represents the exercise of an option under the contract, is currently scheduled for delivery before the end of 2002.

The program for Australia involves eleven (11) helicopters with support, including a support services facility, for the Royal Australian Navy. The total contract has an anticipated value of about $700 million (US). The helicopter production portion of the work is valued at $580 million, of which about 85% has now been recorded as revenue. Six aircraft are currently in country; two are operational and the others are in the final stages of assembly. These aircraft were shipped without the full ITAS software.

~~One result of the process of negotiating new subcontracts for production of the full ITAS software has been that Kaman will have responsibility for aircraft integration testing (a task previously subcontracted to Litton). This new responsibility along with the estimated time frame for the subcontractors' development of the full ITAS software suggests that there will be a longer delay than previously anticipated in delivery of the full ITAS software to Australia. The corporation is working with the Royal Australian Navy to develop a process that will allow for phased acceptance and delivery of the aircraft without the full ITAS, and subsequent installation of the full software. When so equipped, the SH-2G(A) helicopter will have the most sophisticated, integrated cockpit and weapons system available in an intermediate weight helicopter.~~

~~The corporation is actively pursuing opportunities for the SH-2G helicopter in the international defense market, enhancing familiarization with the SH-2G's capabilities among various governments around the world. The corporation is currently in discussions with the Egyptian government concerning a requirement for six search and rescue helicopters and with the United States government about a program for refurbishment of four existing SH-2G aircraft for the Polish Navy, along with future training and support. Management believes that the aircraft is in a good competitive position to meet the specialized needs of navies around the world that operate smaller ships for which the SH-2G is ideally sized, while also recognizing that this market is highly competitive and influenced by economic and political conditions.~~

~~The corporation also maintains a consignment of the U.S. Navy's inventory of SH-2 spare parts under a multi-year agreement that provides the ability to utilize certain inventory for support of the corporation's other SH-2 programs.~~

~~The K-MAX helicopter program, which began in 1994 and for which the corporation maintains a substantial inventory, has experienced significant market difficulties in the past several years, due partly to conditions in the commercial logging industry, the aircraft's principal application to date. While the corporation continues to pursue a strategy of refocusing K-MAX sales development on global market opportunities in industry and government, those efforts have met with limited success. There were no sales of the K-MAX helicopter during 2001, other than three aircraft that were part of the five aircraft order received from the U.S. State Department in late 2000. Management is in the process of evaluating the amount of time and further investment that could be required to achieve successful sales development and profitability for the program.~~

~~The Aerospace segment also performs aerostructure and helicopter subcontract work for a variety of aerospace manufacturing programs. Aerostructure subcontract work focuses on commercial and military aircraft programs, including wing structures and components for commercial airliners, major structural assemblies for military transports, aircraft thrust reversers, business jet subassembly components; and the manufacture of proprietary self-lubricating bearings for use in aircraft flight controls, turbine engines and landing gear, as well as driveline couplings for helicopters. Helicopter subcontract work includes helicopter airframes, composite rotor blades, and component work. Current aerostructure and helicopter subcontract programs include production of wing structures and various components for virtually all Boeing commercial aircraft, fuselages and rotor blades for MD Helicopters, and components for military aircraft such as the C-17 military transport, the F-22 fighter and the Comanche helicopter. As Boeing is the largest customer of the segment's subcontract business, management is monitoring the drop off in commercial aircraft orders and the impact this may have on~~

~~production in the next two years.~~

~~In December 2001 the corporation acquired Plastic Fabricating Company, Inc., a Wichita, Kansas manufacturer of composite parts and assemblies for aerospace applications. This acquisition provides the segment with a presence in one of the largest aerospace manufacturing areas in the United States and complements its existing composites and metal bonding operations.~~

~~The Aerospace segment also produces advanced technology products, including safe, arm and fuzing devices for several missile programs; high reliability memory systems for airborne, shipboard, and ground-based programs; precision non-contact measuring systems for industrial and scientific use; high-performance microwave cable assemblies for aircraft electronic warfare devices and other applications; and high-power permanent magnet motors used commercially in the oil service and transportation industries and for military uses.~~

~~In late 2001, Kaman Aerospace Corporation, the subsidiary that accounted for 80% of Aerospace segment net sales in 2001, undertook a realignment of its product line management structure in an effort to increase market development of its core capabilities while improving efficiency, enhancing customer service and reducing costs.~~

~~The Aerospace segment also continues implementation of `Lean Thinking' strategies throughout the organization in order to further enhance efficiency and reduce costs.~~

~~Industrial Distribution segment net sales decreased 12.9% in 2001, compared to an increase of 3.1% in 2000 and a decrease of 1.8% in 1999. Results for 2001 are consistent with the effect of the manufacturing recession on the industrial distribution industry. Since the segment's customers include nearly every sector of U.S. industry, this business is influenced by industrial production levels and was adversely affected in 2001 by a weakened manufacturing sector that brought the industrial production index (the key economic indicator for this business) down to levels not seen since the early 1980s. The segment was also impacted by specific events affecting particular customer industries, such as the effect the energy crisis in the West had on the aluminum industry. The corporation had taken steps to implement workforce adjustments and control costs in late 2000 and as economic conditions worsened in 2001, the corporation implemented further reductions and efficiencies. These efforts, along with good results with business retention efforts and certain new national account awards helped the segment to remain profitable despite lower sales.~~

~~At the end of the third quarter of 2001, the Industrial Distribution segment acquired the industrial distribution business of A-C Supply, Inc. of Milwaukee, Wisconsin. This acquisition strengthens the segment's presence in key industrial markets in the upper Midwest, where it has had limited presence, and will facilitate service to national account customers with operating plants in that region. This acquisition also represents an incremental step in the corporation's overall strategy of building the value of its businesses through acquisitions and internal growth.~~

~~During 2001, the segment continued to develop the e-business infrastructure that it began in 2000 with implementation of its Internet e-business site. This site contains a complete catalog of product offerings (with more than one million industrial products) and provides an important new channel for both~~

current and new customers to transact business with the segment.

Music Distribution segment net sales decreased 6.2% in 2001 compared to an increase of 8.6% in 2000 and a decrease of 1.4% in 1999. Results for 2001 were affected by weakened consumer markets both domestically and abroad; although a better than expected Christmas season helped to mitigate some of the year's sales shortfall.

In 2001, the segment continued its focus on `Lean Thinking' strategies and was able to enhance operating efficiencies and improve customer service as a result. The segment completed the consolidation of two warehouses into one state of the art facility and also implemented an electronic data exchange program that allows the sharing of data and information directly with customers.

In 2001, the segment also completed the first year of its exclusive distribution and sales license with Fred Gretsch Enterprises, successfully launching its high quality Gretsch drum kit lines in domestic and foreign markets.

The corporation's segments, in total, had operating profits of $26.3 million for 2001 compared to $74.6 million for 2000. These results reflect the $31.2 million sales and pre-tax earnings adjustment in the Aerospace segment (described previously) as well as lower revenues in the Australia and New Zealand SH-2G helicopter programs which are now in their later phases, and lower sales in the Industrial Distribution segment due to economic conditions. Excluding the Aerospace segment adjustment, operating profits for all the corporation's segments would have been $57.5 million for 2001. Results for 2000 reflect good earnings performance on the part of each business segment. Total operating profits for all the corporation's business segments in 1999 were $52.6 million.

Operating profits for the Aerospace segment were $6.5 million in 2001, a decrease from $44.2 million the prior year, reflecting the sales and pre-tax earnings adjustment in the Aerospace segment and lower revenues in the Australia and New Zealand SH-2G helicopter programs as previously described. Operating profits for the Industrial Distribution segment were $13.2 million in 2001 compared to $22.9 million the previous year. Operating profits for 2000 in the Industrial Distribution segment included the addition of $1.7 million in the fourth quarter which was the unused portion of a $12.4 million pre-tax charge taken in 1999. Operating profits for the Music Distribution segment were $6.6 million in 2001, compared to $7.4 million the previous year.

Operating profits for the Aerospace segment in 2000 were $44.2 million compared to $44.0 million for 1999, the SH-2G helicopter programs and aircraft structures and components business being the primary contributors. This performance was offset by a loss in the K-MAX program which continues to require investment for technical work and market development. Also included in operating profits for 1999 was a reversal of a reserve in the amount of $2.5 million that was associated with the Raymond Engineering (now part of Kaman Aerospace) operation. Operating profits for the Industrial Distribution segment in 2000 were $22.9 million compared to $2.9 million in 1999, due to healthy market conditions during most of the year and internal initiatives undertaken early in the year to improve efficiency and service to customers. The 1999 performance reflects market weakness in several important customer industries and a $12.4 million pre-tax charge taken in the fourth quarter of that year as a result of a reorganization of operations, including a closure of certain facilities and the write-off of excess inventory. Of the charge, $1.7 million was unused and added back to operating profits for 2000. Operating profits for the Music Distribution segment in 2000 were $7.4 million compared to $5.6 million in 1999, due to improvements in domestic and international markets and increased efficiency.

Net earnings for 2001 were $11.7 million compared to $36.9 million for 2000 and $25.1 million in 1999. Net earnings per share for 2001 were $0.52 per diluted share compared to $1.57 per diluted share in 2000. Results for 2001 include pre-tax gains of $2.7 million from the sale of two facilities in the first half of the year and an effective tax rate of about 25%, which includes reduced tax considerations for the Australia SH-2G program. Net earnings for 2001 were adversely affected by the adjustment taken in the Aerospace segment and the phase down of the Australia and New Zealand SH-2G contracts as well as by economic conditions. Excluding the sales and pre-tax earnings adjustment, along with reduced tax considerations related to the Australian SH-2G program, net earnings for 2001 were $30.5 million, or $1.33 per diluted share.

Net earnings for 2000 were $36.9 million compared to $25.1 million in 1999. Net earnings per share were $1.57 per diluted share in 2000 compared to $1.05 per diluted share in 1999. Net earnings for 2000 were affected positively by the add-back of $1.7 million of the 1999 charge in the Industrial Distribution segment that was unused. Net earnings for 1999 were affected positively by the reversal of a $2.5 million reserve in the Aerospace segment and negatively by the $12.4 million charge in the Industrial Distribution segment, both of which are described above.

For the year ended December 31, 2001, interest expense exceeded interest income from the investment of surplus cash, as interest expense decreased 7.2% while interest income decreased 60.8%. For the years ended December 31, 2000 and December 31, 1999, interest income earned from investment of surplus cash more than offset interest expense.

The consolidated effective income tax rate was 25.2% for 2001, 36.0% for 2000, and 38.1% for 1999. The rate for 2001 is due to the reversal of prior years' tax accruals as a result of the corporation's ongoing assessment of its open tax years and includes reduced tax considerations for the Australia SH-2G program.

Effective July 1, 2001 and January 1, 2002, the Financial Accounting Standards Board ("FASB") issued Statements of Financial Accounting Standards No. 141, "Business Combinations" ("SFAS 141") and No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"), respectively. SFAS 141 requires all business combinations initiated after June 30, 2001 to use the purchase method of accounting. SFAS 142 discontinues the amortization of goodwill, including goodwill recorded in past business combinations, upon adoption of this

~~standard. All goodwill and intangible assets with indefinite useful lives will be evaluated on an ongoing basis for impairment in accordance with the provisions of SFAS 142. The corporation has adopted these statements in accordance with their terms and that adoption did not have a material impact on the corporation's consolidated results of operations or financial position.~~

~~During 2001, the FASB also issued Statement of Financial Accounting Standards No. 143, "Accounting for Obligations Associated with the Retirement of Long-Lived Assets" ("SFAS 143"), and Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"). SFAS 143 establishes accounting standards for the recognition and measurement of an asset retirement obligation and its associated asset retirement cost. It also provides accounting guidance for legal obligations associated with the retirement of tangible long-lived assets. SFAS 143 is effective in fiscal years beginning after June 15, 2002. The corporation expects that the provisions of SFAS 143 will not have a material impact on its consolidated results of operations or financial position upon adoption. SFAS 144 establishes a single accounting model for the impairment or disposal of long-lived assets, including discontinued operations. SFAS 144 is effective in fiscal years beginning after~~

~~December 15, 2001, and in general is to be applied prospectively. The corporation will adopt SFAS 144 effective January 1, 2002 and that adoption is not expected to have a material impact on its consolidated results of operations or financial position.~~

~~LIQUIDITY AND CAPITAL RESOURCES~~

~~On an annual basis, 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 calendar year 2001, operating activities provided cash in the amount of $20.1 million. These results were due primarily to net reductions in accounts receivable in the Aerospace and Industrial Distribution segments, including the $31.2 million sales and pre-tax earnings adjustment in the Aerospace segment, and reductions in inventories in the distribution segments. This was offset by decreases in accounts payable in the Aerospace and Music Distribution segments, and accrued expenses and payables throughout each of the segments and by a reduction in advances on contracts in the Aerospace segment. Other items include a reduction in income taxes payable as well as an increase in other current assets, which relate primarily to the tax benefits associated with the adjustment and a net pension income item, respectively. During the year 2001, cash was used in investing activities for the A-C Supply asset acquisition, the H.I.G. Aerospace Group, Inc. (Plastic Fabricating Company, Inc.) stock acquisition, and for the purchase of items such as machinery and computer equipment, which usage was offset somewhat by proceeds from the sale of assets. Cash used by financing activities was primarily attributable to the payment of dividends to common shareholders, and to a lesser degree the sinking fund requirement for the corporation's debentures (described below) and repurchase of the corporation's Class A common stock pursuant to a repurchase program for use in administration of the corporation's stock plans and general corporate purposes.~~

~~The corporation had $30.8 million in surplus cash at December 31, 2001 with an average balance of $34.0 million for the year. These funds have been invested in high quality, short-term instruments.~~

~~Page 11~~

~~MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS~~
~~Kaman Corporation and Subsidiaries~~

~~For calendar year 2000, operating activities provided cash in the amount of $8.4 million. Such activities were significantly impacted by increases in accounts receivable for the Aerospace segment's SH 2G helicopter programs. Increases in accounts payable in the Aerospace and Music Distribution businesses offset this impact to some degree. For the year, cash used in investing activities was for items such as acquisition of machinery and computer equipment used in manufacturing and distribution. Cash used in financing activities was primarily attributable to the payment of dividends to common shareholders, repurchase of Class A common stock pursuant to the repurchase program noted above, and the sinking fund requirement for the corporation's debentures (described below).~~

~~For calendar year 1999, operating activities provided cash in the amount of $42.5 million. In the Aerospace segment this was primarily a result of earnings from operations together with the receipt of additional payments on accounts receivable, offset to some extent by growth in K MAX inventories, payments on accounts payable, and ongoing reductions in the advances on the SH 2G contracts. In the Industrial Distribution segment, this result largely reflected reductions in inventories. For 1999, cash used in investing activities was primarily for the acquisition of machinery and computer equipment used in manufacturing and distribution. Cash used by financing activities was primarily attributable to the payment of dividends to common shareholders and repurchase of Class A common stock pursuant to a repurchase program for use in administration of the corporation's stock plans and general corporate purposes and the sinking fund requirement for the corporation's debentures (described below).~~

~~At December 31, 2001, the corporation had $24.9 million of its 6% convertible subordinated debentures outstanding. The debentures are convertible into shares of Class A common stock at any time on or before March 15, 2012 at a conversion price of $23.36 per share, generally at the option of the holder. Pursuant to a sinking fund requirement that began March 15, 1997, the corporation redeems approximately $1.7 million of the outstanding principal of the debentures each year.~~

~~In November, 2000, the corporation's board of directors approved a replenishment of the corporation's stock repurchase program, providing for repurchase of an aggregate of 1.4 million Class A common shares for use in administration of the corporation's stock plans and for general corporate purposes. A total of almost 212,000 shares were repurchased during 2001.~~

~~Page 12~~

~~MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS~~
~~Kaman Corporation and Subsidiaries~~

~~The corporation maintains a revolving credit agreement involving a group of financial institutions. The agreement has a maximum unsecured line of credit of $225 million which consists of a $150 million commitment for 5 years and a $75 million commitment under a "364 day" arrangement which is renewable annually for an additional 364 days. The $75 million commitment was so renewed~~

in November, 2001. The most restrictive of the covenants contained in the agreement requires the corporation to have EBITDA, as defined, at least equal to 300% of net interest expense and a ratio of consolidated total indebtedness to total capitalization of not more than 55%.

Letters of credit are generally considered borrowings for purposes of the revolving credit agreement. A total of $51.6 million in letters of credit are currently outstanding under the agreement, most of which is related to the Australia and New Zealand SH-2G programs. Reductions to the Australia and New Zealand letters of credit are anticipated as agreed upon performance milestones are reached and as the corporation and the Australian government agree upon a phased acceptance and delivery schedule for the SH-2G(A) aircraft.

For 2001, average bank borrowings were $2.5 million, compared to $2.3 million for 2000, and $3.3 million for 1999.

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

FORWARD-LOOKING STATEMENTS

This report contains forward-looking information relating to the corporation's business and prospects, including the SH-2G and K-MAX helicopter programs, aerostructures, helicopter structures, and components, the industrial and music distribution businesses, operating cash flow, and other matters that involve a number of uncertainties that may cause actual results to differ materially from expectations. Those uncertainties include, but are not limited to: 1) the successful conclusion of competitions and thereafter contract negotiations with government authorities, including foreign governments; 2) political developments in countries where the corporation intends to do business; 3) standard government contract provisions permitting renegotiation of terms and termination for the convenience of the government; 4) economic and

competitive conditions in markets served by the corporation, including industry consolidation in the United States and global economic conditions; 5) timing of satisfactory completion of the Australian SH-2G(A) program; 6) timing, degree and scope of market acceptance for products such as a repetitive lift helicopter; 7) U.S. industrial production levels; 8) changes in supplier sales policies; 9) the effect of price increases or decreases; 10) currency exchange rates, taxes, laws and regulations, inflation rates, general business conditions and other factors; 11) effects of the September 11, 2001 attacks on the World Trade Center in New York and the Pentagon in Washington, D.C. Any forward-looking information should be considered with these factors in mind.

SELECTED QUARTERLY FINANCIAL DATA
KAMAN CORPORATION AND SUBSIDIARIES
(In thousands except per share amounts

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL YEAR
NET SALES:					
2001	$244,489	$ 194,338	$ 219,102	$217,940	$ 875,869
2000	263,204	259,610	255,160	253,260	1,031,234
GROSS PROFIT:					
2001	$ 61,797	$ 26,473	$ 54,860	$ 58,957	$ 202,087
2000	64,452	63,482	63,620	65,416	256,970
NET EARNINGS:					
2001	$ 8,741	$ (12,495)	$ 8,526	$ 6,942	$ 11,714
2000	8,556	9,271	9,535	9,558	36,920
PER SHARE BASIC:					
2001	$ .39	$ (.56)	$ .38	$ .31	$ .52
2000	.37	.40	.41	.43	1.61
PER SHARE DILUTED:					
2001	$ .38	$ (.56)	$ .37	$ .31	$ .52
2000	.36	.39	.40	.42	1.57

The quarterly per share diluted amounts for 2001 do not equal the "Total Year" figure due to the calculation being anti dilutive in the second quarter.

Page 15

CONSOLIDATED BALANCE SHEETS
KAMAN CORPORATION AND SUBSIDIARIES
(In thousands except share and per share amounts)

December 31	2001	2000
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 30,834	$ 48,157
Accounts receivable	186,798	212,374
Inventories	197,400	196,148
Deferred income taxes	16,938	18,550
Other current assets	10,681	6,771
Total current assets	442,651	482,000
PROPERTY, PLANT AND EQUIPMENT, NET	60,769	63,705
GOODWILL	12,165	2,301
OTHER ASSETS	6,361	5,824
TOTAL ASSETS	$ 521,946	$ 553,830
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable	$ 2,378	$ 2,060
Current portion of long term debt	1,660	1,660
Accounts payable - trade	52,044	58,057
Accrued salaries and wages	7,252	9,824
Accrued vacations	6,031	5,954
Advances on contracts	30,781	41,905
Other accruals and payables	41,114	49,766
Income taxes payable	--	4,116
Total current liabilities	141,260	173,342
LONG TERM DEBT, EXCLUDING CURRENT PORTION	23,226	24,886
OTHER LONG TERM LIABILITIES	23,879	23,556

Page 16

CONSOLIDATED BALANCE SHEETS
KAMAN CORPORATION AND SUBSIDIARIES
(In thousands except share and per share amounts)

December 31	2001	2000
SHAREHOLDERS' EQUITY:		
Capital stock, $1 par value		

per share:		
Preferred stock, authorized 700,000 shares:		
Series 2 preferred stock, 6 1/2% cumulative convertible, authorized 500,000 shares, none outstanding	--	--
Common stock:		
Class A, authorized 48,500,000 shares, nonvoting; $.10 per common share dividend preference; issued 23,066,260 shares in 2001 and 2000	23,066	23,066
Class B, authorized 1,500,000 shares, voting; issued 667,814 shares in 2001 and 2000	668	668
Additional paid-in capital	77,389	77,298
Retained earnings	253,403	251,526
Unamortized restricted stock awards	(2,206)	(1,643)
Accumulated other comprehensive income (loss)	(919)	(749)
	351,401	350,166
Less 1,455,214 shares and 1,485,427 shares of Class A common stock in 2001 and 2000, respectively, held in treasury, at cost	(17,820)	(18,120)
Total shareholders' equity	333,581	332,046
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 521,946	$ 553,830

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS
KAMAN CORPORATION AND SUBSIDIARIES
(In thousands except per share amounts)

Year ended December 31	2001	2000	1999
REVENUES:			
Net sales	$ 875,869	$ 1,031,234	$ 995,404
Other	1,076	1,092	1,773
	876,945	1,032,326	997,177
COSTS AND EXPENSES:			
Cost of sales	673,782	774,264	751,291
Selling, general and administrative expense	188,752	202,319	201,807
Restructuring costs		(1,680)	4,132
Interest expense (income), net	623	(1,660)	(1,614)
Other expense (income), net	(1,876)	1,363	1,088
	861,281	974,606	956,704
EARNINGS BEFORE INCOME TAXES	15,664	57,720	40,473
INCOME TAXES	3,950	20,800	15,400
NET EARNINGS	$ 11,714	$ 36,920	$ 25,073

PER SHARE:

Net earnings per share:			
Basic	$ .52	$ 1.61	$ 1.07
Diluted	.52	1.57	1.05
Dividends declared	.44	.44	.44

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
KAMAN CORPORATION AND SUBSIDIARIES
(In thousands except share amounts)

Year ended December 31	2001	2000	1999
SERIES 2 PREFERRED STOCK	$	$	$
CLASS A COMMON STOCK	23,066	23,066	23,066
CLASS B COMMON STOCK	668	668	668
ADDITIONAL PAID IN CAPITAL:			
Balance - beginning of year	77,298	78,422	78,899
Employee stock plans	(234)	(897)	(463)
Restricted stock awards	325	(227)	(14)
Balance - end of year	77,389	77,298	78,422
RETAINED EARNINGS:			
Balance - beginning of year	251,526	224,702	209,920
Net earnings	11,714	36,920	25,073
Dividends declared	(9,837)	(10,096)	(10,291)
Balance - end of year	253,403	251,526	224,702
UNAMORTIZED RESTRICTED STOCK AWARDS:			
Balance - beginning of year	(1,643)	(1,944)	(1,500)
Stock awards issued	(1,585)	(516)	(1,288)
Amortization of stock awards	1,022	817	844
Balance - end of year	(2,206)	(1,643)	(1,944)
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS):			
Balance - beginning of year	(749)	(625)	(774)
Foreign currency translation adjustment*	(170)	(124)	149
Balance - end of year	(919)	(749)	(625)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
KAMAN CORPORATION AND SUBSIDIARIES
(In thousands except share amounts)

Year ended December 31	2001	2000	1999
TREASURY STOCK:			
Balance - beginning of year	(18,120)	(7,912)	(785)
Shares acquired in 2001 - 211,550; 2000 - 1,126,888; 1999 - 802,721	(2,760)	(13,660)	(10,596)
Shares reissued under various stock plans	3,060	3,452	3,469
Balance - end of year	(17,820)	(18,120)	(7,912)
TOTAL SHAREHOLDERS' EQUITY	$ 333,581	$ 332,046	$ 316,377

*Comprehensive income is $11,544, $36,796 and $25,222 for 2001, 2000 and 1999, respectively.

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
Kaman Corporation and Subsidiaries
(In thousands)

Year ended December 31	2001	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings	$ 11,714	$ 36,920	$ 25,073
Adjustments to reconcile net earnings to cash provided by (used in) operating activities:			

Depreciation and amortization	11,441	11,630	11,998
Net gain on sale of assets	(2,637)		
Restructuring costs		(1,680)	4,132
Deferred income taxes	(375)	(75)	(800)
Other, net	2,152	6,551	3,690
Changes in current assets and liabilities, net of effects of businesses acquired:			
Accounts receivable	32,411	(56,201)	52,077
Inventories	5,407	3,583	8,166
Other current assets	(3,680)	87	2,591
Accounts payable - trade	(9,284)	9,297	(2,811)
Advances on contracts	(11,124)	(8,338)	(51,133)
Accrued expenses and payables	(11,813)	6,400	(8,449)
Income taxes payable	(4,081)	179	(1,992)
Cash provided by (used in) operating activities	20,131	8,353	42,542
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of assets	4,047	56	538
Expenditures for property, plant and equipment	(8,033)	(11,044)	(10,964)
Acquisition of businesses, less cash acquired	(20,845)		
Other, net	(253)	(963)	194
Cash provided by (used in) investing activities	(25,084)	(11,951)	(10,232)

CONSOLIDATED STATEMENTS OF CASH FLOWS
Kaman Corporation and Subsidiaries
(In thousands)

Year ended December 31	2001	2000	1999
CASH FLOWS FROM FINANCING ACTIVITIES:			
Changes in notes payable	318	(794)	(287)
Reduction of long term debt	(1,660)	(1,660)	(1,660)
Proceeds from exercise of employee stock plans	1,566	1,813	1,704
Purchases of treasury stock	(2,760)	(13,660)	(10,596)
Dividends paid	(9,834)	(10,193)	(10,352)
Cash provided by (used in) financing activities	(12,370)	(24,494)	(21,191)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(17,323)	(28,092)	11,119
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	48,157	76,249	65,130
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 30,834	$ 48,157	$ 76,249

~~See accompanying notes to consolidated financial statements.~~

~~NOTES TO CONSOLIDATED FINANCIAL STATEMENTS~~
~~KAMAN CORPORATION AND SUBSIDIARIES~~
~~DECEMBER 31, 2001, 2000 AND 1999~~
~~(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.~~

~~Use of Estimates - The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.~~

~~Cash and Cash Equivalents - Surplus funds are invested in cash equivalents which consist of highly liquid investments with original maturities of three months or less.~~

~~Long-Term Contracts - Revenue Recognition - Sales and estimated profits under long-term contracts are principally recognized on the percentage of completion method of accounting. This method uses the ratio that costs incurred bear to estimated total costs, after giving effect to estimates of costs to complete based upon most recent information for each contract. Sales and estimated profits on other contracts are recorded as products are shipped or services are performed. Reviews of contracts are made periodically throughout their lives and revisions in profit estimates are recorded in the accounting period in which the revisions are made. Any anticipated contract losses are charged to operations when first indicated.~~

~~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.~~

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
KAMAN CORPORATION AND SUBSIDIARIES
DECEMBER 31, 2001, 2000 AND 1999
(In thousands except share and per share amounts)

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.

Research And Development - Research and development costs not specifically covered by contracts are charged against income as incurred. Such costs amounted to $4,673 in 2001, $5,463 in 2000 and $4,877 in 1999.

Income Taxes - 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.

Recent Accounting Standards - In June 2001, the Financial Accounting Standards Board ("FASB") issued Statements of Financial Accounting Standards No. 141, "Business Combinations" ("SFAS 141"), and No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"), which apply to the corporation effective July 1, 2001 and January 1, 2002, respectively. SFAS 141 requires all business combinations initiated after June 30, 2001 to use the purchase method of accounting. SFAS 142 will discontinue the amortization of goodwill, including goodwill recorded in past business combinations, upon adoption of this standard. All goodwill and intangible assets with indefinite useful lives will be evaluated on an ongoing basis for impairment in accordance with the provisions of the SFAS 142. The corporation has adopted these statements in accordance with their terms and that adoption did not have a material impact on the corporation's consolidated results of operations or financial position.

The FASB also issued Statement of Financial Accounting Standards No. 143, "Accounting for Obligations Associated with the Retirement of Long Lived Assets" ("SFAS 143"), and Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long Lived Assets" ("SFAS 144"), in 2001.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
KAMAN CORPORATION AND SUBSIDIARIES
DECEMBER 31, 2001, 2000 AND 1999
(In thousands except share and per share amounts)

SFAS 143 establishes accounting standards for the recognition and measurement of an asset retirement obligation and its associated asset retirement cost. It also provides accounting guidance for legal obligations associated with the retirement of tangible long lived assets. SFAS 143 is effective in fiscal years beginning after June 15, 2002. The corporation expects that the provisions of SFAS 143 will not have a material impact on its consolidated results of operations or financial position upon adoption.

(In thousands except share and per share amounts)

SFAS 144 establishes a single accounting model for the impairment or disposal of long lived assets, including discontinued operations. The provisions of SFAS 144 are effective in fiscal years beginning after December 15, 2001, and in general are to be applied prospectively. The corporation will adopt SFAS 144 effective January 1, 2002 and that adoption is not expected to have a material impact on its consolidated results of operations or financial position.

ACQUISITION OF BUSINESSES

In September 2001, the company purchased the majority of the assets and liabilities of A-C Supply, Inc. for $8,500 in cash. The assets acquired and liabilities assumed and results of operations since the acquisition have been included in the Industrial Distribution segment.

In December 2001, the company purchased the stock of H.I.G. Aerospace Group, Inc., parent company of Plastic Fabricating Company, Inc. for $12,500 in cash. The assets acquired and liabilities assumed are included in the Aerospace segment.

Both acquisitions have been accounted for as purchases with the purchase price being allocated to the fair value of assets acquired and liabilities assumed. The excess of the purchase price over the estimated fair market value of net assets acquired is $2,300 for A-C Supply, Inc. and $7,700 for Plastic Fabricating Company, Inc. and has been assigned to goodwill. In accordance with SFAS 142, the goodwill has not been amortized.

Assuming the acquisitions had taken place on January 1, 2001 and 2000, Kaman Corporation's pro forma revenue, net earnings and net earnings per share for the years ended December 31, 2001 and 2000 would not have been materially affected.

RESTRUCTURING COSTS

In 1999, the Industrial Distribution segment took a pre-tax charge of $12,382 ($7,670 after taxes or $.32 per share diluted) as part of an initiative to streamline operational structure. The costs associated with the reorganization of operations, consolidation of branches, and the closure of other facilities totaled $4,132. The write-off of excess inventory totaled $8,250 and is included in cost of sales. In 2000, the segment completed all activities under the restructuring plan. The financial impact of these activities was less than anticipated in the segment's plan and a favorable change in estimate of $1,680 was recorded.

ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

December 31	2001	2000
Trade receivables, net of allowance for doubtful accounts of $3,939 in 2001, $4,636 in 2000	$ 63,239	$ 72,248

(In thousands except share and per share amounts)

U.S. Government contracts:		
Billed	11,529	6,996
Recoverable costs and accrued profit - not billed	15,169	22,954
Commercial and other government contracts:		
Billed	18,835	33,510
Recoverable costs and accrued profit - not billed	78,026	76,666
Total	$186,798	$212,374

Recoverable costs and accrued profit - not billed represent costs incurred on contracts which will become billable upon future deliveries, achievement of specific contract milestones or completion of engineering and service type contracts. Management estimates that approximately $16,900 of such costs and accrued profits at December 31, 2001 will be collected after one year.

INVENTORIES

Inventories are comprised as follows:

December 31	2001	2000
Merchandise for resale	$ 86,409	$ 88,640
Contracts in process:		
U.S. Government	3,686	3,723
Commercial	12,525	10,312
Other work in process (including certain general stock materials)	49,465	51,883
Finished goods	45,315	41,590
Total	$197,400	$196,148

Included above in other work in process and finished goods at December 31, 2001 and 2000 is K-MAX inventory of $76,189 and $78,638, respectively.

The aggregate amounts of general and administrative costs allocated to contracts in process during 2001, 2000 and 1999 were $49,816, $53,387 and $49,752, respectively.

The estimated amounts of general and administrative costs remaining in contracts in process at December 31, 2001 and 2000 amount to $2,225 and $2,115, 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	2001	2000
Land	$ 6,058	$ 6,230
Buildings	31,881	34,637
Leasehold improvements	15,628	14,979
Machinery, office furniture and equipment	120,333	115,049
Total	173,900	170,895
Less accumulated depreciation and amortization	113,131	107,190
Property, plant and equipment, net	$ 60,769	$ 63,705

CREDIT ARRANGEMENTS - SHORT TERM BORROWINGS AND LONG TERM DEBT

Revolving Credit Agreement - On November 13, 2000, the corporation entered into a five year revolving credit agreement (the "Revolving Credit Agreement") with several banks to replace its then existing revolving credit agreement. The agreement has a maximum unsecured line of credit of $225,000 which consists of a $150,000 commitment expiring in November 2005 and a $75,000 commitment under a "364 Day" arrangement which is renewable annually for an additional 364 days. The $75,000 commitment was so renewed in November, 2001. Outstanding letters of credit at November 13, 2000, were transferred to the Revolving Credit Agreement at that time and are considered to be indebtedness thereunder.

Short Term Borrowings - Under the Revolving Credit Agreement, the corporation has the ability to borrow funds on both a short-term and long-term basis. The corporation also has arrangements with other banks, generally to borrow funds on a short-term basis with interest at current market rates.

Short-term borrowings outstanding are as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
KAMAN CORPORATION AND SUBSIDIARIES
DECEMBER 31, 2001, 2000 AND 1999
(In thousands except share and per share amounts)

December 31	2001	2000
Revolving credit agreement	$	$
Other credit arrangements	2,378	2,060
Total	$2,378	$2,060

Long-Term Debt - The corporation has long-term debt as follows:

(In thousands except share and per share amounts)

December 31	2001	2000
Revolving credit agreement	$	$
Convertible subordinated debentures	24,886	26,546
Total	24,886	26,546
Less current portion	1,660	1,660
Total excluding current portion	$23,226	$24,886

Restrictive Covenants - The most restrictive of the covenants contained in the Revolving Credit Agreement requires the corporation to have EBITDA, as defined, at least equal to 300% of interest expense and a ratio of consolidated total indebtedness to total capitalization of not more than 55%.

Certain Letters of Credit - The face amounts of irrevocable letters of credit issued under the Revolving Credit Agreement totaled $51,577 and $41,195 at December 31, 2001 and 2000, respectively.

Convertible Subordinated Debentures - The corporation issued 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 that began March 15, 1997, the corporation redeems $1,660 of the outstanding principal amount of the debentures annually. The debentures are subordinated to the claims of senior debt holders and general creditors. These debentures have a fair value of $23,891 at December 31, 2001 based upon latest market price.

Long-Term Debt Annual Maturities - The aggregate amounts of annual maturities of long-term debt for each of the next five years is $1,660.

Interest Payments - Cash payments for interest were $2,235, $2,407 and $2,426 for 2001, 2000 and 1999, respectively.

ADVANCES ON CONTRACTS

Advances on contracts include customer advances together with customer payments and billings associated with the achievement of certain contract milestones in excess of costs incurred for SH-2G helicopter contracts. The customer advances are fully secured by letters of credit. It is anticipated that the advances on contracts along with the face amounts of these letters of credit will be reduced as performance milestones are reached and as the corporation and the Australian government agree upon a phased acceptance and delivery schedule for the SH-2G(A) aircraft.

INCOME TAXES

The components of income taxes are as follows:

	2001	2000	1999

Current:			
Federal	$ 3,518	$ 17,690	$ 13,824
State	807	3,185	2,376
	4,325	20,875	16,200
Deferred:			
Federal	(353)	(65)	(650)
State	(22)	(10)	(150)
	(375)	(75)	(800)
Total	$ 3,950	$ 20,800	$ 15,400

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

December 31	2001	2000
Deferred tax assets:		
Long term contracts	$ 912	$ 1,547
Deferred employee benefits	14,766	14,539
Inventory	4,444	4,435
Accrued liabilities and other items	6,229	6,504
Total deferred tax assets	26,351	27,025
Deferred tax liabilities:		
Depreciation and amortization	(7,159)	(6,540)
Other items	(1,541)	(3,910)
Total deferred tax liabilities	(8,700)	(10,450)
Net deferred tax asset	$ 17,651	$ 16,575

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 two 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 before income taxes after giving effect to state income taxes. The consolidated effective tax rate was lower due to the reversal of prior years' tax accruals of $2,972 and $1,534 in 2001 and 2000, respectively, as a result of the corporation's ongoing assessment of its open tax years. The reduction in 2001 included reduced tax considerations related to the Australian SH-2G program. Cash payments for income taxes were $8,589, $20,611 and $18,204 in 2001, 2000 and 1999, respectively.

(In thousands except share and per share amounts)

PENSION PLAN

The corporation has a non-contributory defined benefit pension plan covering all of its full-time U.S. employees upon their completion of hours of service requirements. Benefits under this plan are generally based upon an employee's years of service and compensation levels during employment with 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 $11,896 of Class A common stock of Kaman Corporation at December 31, 2001).

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

	2001	2000	1999
Service cost for benefits earned during the year	$ 9,757	$ 9,528	$ 9,837
Interest cost on projected benefit obligation	22,822	21,688	20,348
Expected return on plan assets	(31,614)	(29,050)	(25,998)
Net amortization and deferral	(3,589)	(2,635)	(1,909)
Net pension cost (income)	$ (2,624)	$ (469)	$ 2,278

The change in actuarial present value of the projected benefit obligation is as follows:

December 31	2001	2000
Projected benefit obligation at beginning of year	$ 312,273	$ 299,228
Service cost	9,757	9,528
Interest cost	22,822	21,688
Actuarial liability (gain) loss	413	(2,091)
Plan amendments	817	--
Benefit payments	(16,914)	(16,080)
Projected benefit obligation at		

end of year	$ 329,168	$ 312,273

The change in fair value of plan assets is as follows:

December 31	2001	2000
Fair value of plan assets at beginning of year	$ 414,453	$ 415,358
Actual return on plan assets	(10,897)	14,796
Employer contribution	--	379
Benefit payments	(16,914)	(16,080)
Fair value of plan assets at end of year	$ 386,642	$ 414,453

December 31	2001	2000
Excess of assets over projected benefit obligation	$ 57,474	$ 102,180
Unrecognized prior service cost	582	(290)
Unrecognized net gain	(55,493)	(100,097)
Unrecognized net transition asset		(1,854)
Accrued (prepaid) pension cost	$ (2,563)	$ 61

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

December 31	2001	2000
Discount rate	7.5%	7.5%
Expected return on plan assets	8.625%	8.625%
Average rate of increase in compensation levels	4.5%	4.5%

The corporation also has a thrift and retirement plan in which all employees meeting the eligibility requirements may participate. Employer matching contributions are currently made to the plan with respect to a percentage of each participant's pre-tax contribution. For each dollar that a participant contributes, up to 5% of compensation, participating subsidiaries make employer contributions of fifty cents ($.50), up from twenty five cents ($.25) in 1999. Employer contributions to the plan totaled $3,438, $3,514 and $1,691 in 2001, 2000, and 1999, respectively.

(In thousands except share and per share amounts)

COMMITMENTS AND CONTINGENCIES

Rent commitments under various leases for office space, warehouse, land and buildings expire at varying dates from January 2002 to December 2010. Certain annual rentals are subject to renegotiation, with certain leases renewable for varying periods. Lease periods for machinery and equipment vary from 1 to 5 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 noncancelable lease terms in excess of one year as of December 31, 2001:

2002	$ 13,092
2003	5,650
2004	3,840
2005	2,420
2006	952
Thereafter	1,786

Total	$ 27,740
	========

Lease expense for all operating leases, including leases with terms of less than one year, amounted to $15,113, $14,710 and $15,413 for 2001, 2000 and 1999, 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 PER SHARE

The earnings per share - basic computation is based on the net earnings divided by the weighted average number of shares of common stock outstanding for each year.

The earnings per share - diluted computation includes the common stock equivalency of options granted to employees under the Stock Incentive Plan. The earnings per share - diluted computation also assumes that at the beginning of the year the 6% convertible subordinated debentures are converted into Class A common stock with the resultant reduction in interest costs net of tax. Excluded from the earnings per share - diluted calculation are options granted to employees that are anti-dilutive based on the average stock price for the year.

	2001	2000	1999
Earnings per share - basic			
Net earnings	$11,714	$36,920	$25,073
	=======	=======	=======
Weighted average shares outstanding (000)	22,364	22,936	23,468
	=======	=======	=======
Earnings per share - basic	$ .52	$ 1.61	$ 1.07
	=======	=======	=======
Earnings per share - diluted			
Net earnings	$11,714	$36,920	$25,073
Plus:			
After-tax interest savings			

on convertible debentures	1,093	1,031	1,046
Net earnings assuming conversion	$12,807	$37,951	$26,119
Weighted average shares outstanding (000)	22,364	22,936	23,468
Plus shares issuable on:			
Conversion of 6% convertible debentures	1,080	1,151	1,221
Exercise of dilutive options	205	81	121
Weighted average shares outstanding assuming conversion (000)	23,649	24,168	24,810
Earnings per share - diluted	$ .52	$ 1.57	$ 1.05

The calculated diluted per share amount for 2001 is anti-dilutive, therefore, amount shown is equal to the basic per share calculation.

STOCK PLANS

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. There are no charges or credits to income in connection with the plan. During 2001, 106,921 shares were issued to employees at prices ranging from $10.41 to $15.21 per share. During 2000, 145,485 shares were issued to employees at prices ranging from $7.76 to $13.60 per share. During 1999, 140,620 shares were issued to employees at prices ranging from $9.03 to $13.49 per share. At December 31, 2001, there were approximately 980,600 shares available for offering under the plan.

Stock Incentive Plan - The corporation maintains a Stock Incentive Plan which includes a continuation and extension of a predecessor stock incentive program. The Stock Incentive 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. At December 31, 2001, there were approximately 509,000 shares available for the granting of stock options.

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. 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. These awards are subject to forfeiture if a recipient separates from service with the corporation.

(In thousands except share and per share amounts)

Restricted stock awards were made for 100,000 shares at prices ranging from $15.63 to $16.31 per share in 2001, 62,500 shares at prices ranging from $10.31 to $10.75 per share in 2000 and 91,000 shares at prices ranging from $11.81 to $14.50 per share in 1999. At December 31, 2001, there were 189,000 shares remaining subject to restrictions pursuant to these awards.

Stock appreciation rights were issued for 205,000 shares at prices ranging from $16.28 to $16.31 per share in 2001, 130,000 shares at $10.31 in 2000 and 270,000 shares at prices ranging from $14.13 to $14.50 per share in 1999, to be settled only for cash. The corporation recorded income of $575 in 2001, $1,732 of expense in 2000 and income of $703 in 1999 due to fluctuations in the market price of the shares.

Stock option activity is as follows:

Stock options outstanding:	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Balance at January 1, 1999	794,820	12.32
Options granted	312,800	14.38
Options exercised	(26,760)	9.56
Options cancelled	(39,850)	14.25
Balance at December 31, 1999	1,041,010	12.94
Options granted	225,500	10.31
Options exercised	(75,360)	8.86
Options cancelled	(121,170)	13.65
Balance at December 31, 2000	1,069,980	12.59
Options granted	335,000	16.27
Options exercised	(89,560)	9.96
Options cancelled	(56,290)	13.57
Balance at December 31, 2001	1,259,130	13.71
Weighted average contractual life remaining at December 31, 2001	6.4 years	

Range of exercise prices for options outstanding at December 31, 2001	$ 9.50 $ 13.25	$ 13.26 $ 17.00
Options outstanding	522,500	736,630
Options exercisable	354,700	222,750
Weighted average contractual remaining life of options outstanding	4.9 years	7.5 years
Weighted average exercise price:		
Options outstanding	$ 10.86	$ 15.74
Options exercisable	$ 10.95	$ 15.62

(In thousands except share and per share amounts)

As of December 31, 2000 and 1999, there were 472,210 and 438,720 options exercisable, respectively.

As permitted by the Statement of Financial Accounting Standards No. 123 (SFAS 123), "Accounting for Stock-Based Compensation," the corporation has elected to continue following the guidance of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," for measurement and recognition of stock-based transactions with employees. Accordingly, no compensation cost has been recognized for its stock plans other than for the restricted stock awards and stock appreciation rights. Under the disclosure alternative of SFAS 123, the pro forma net earnings and earnings per share information presented below includes the compensation cost of stock options issued to employees based on the fair value at the grant date and includes compensation cost for the 15% discount offered to participants in the employees stock purchase plan.

	2001	2000	1999
Net earnings:			
As reported	$ 11,714	$ 36,920	$ 25,073
Pro forma	10,767	36,288	24,497
Earnings per share - basic:			
As reported	.52	1.61	1.07
Pro forma	.48	1.58	1.04
Earnings per share - diluted:			
As reported	.52	1.57	1.05
Pro forma	.48	1.55	1.03

The fair value of each option grant is estimated on the date of grant by using the Black-Scholes option pricing model. The following weighted average assumptions were used for grants in 2001, 2000 and 1999:

	2001	2000	1999
Expected dividend yield	2.7%	4.3%	3.1%
Expected volatility	45%	38%	34%

(In thousands except share and per share amounts)

Risk free interest rate	5.1%	6.5%	5.3%
Expected option lives	8 years	8 years	8 years
Per share fair value of options granted	$6.84	$3.35	$4.75

SEGMENT INFORMATION

The corporation reports results in three business segments -- Aerospace, Industrial Distribution and Music Distribution.

The Aerospace segment consists primarily of aerospace related business for global government and commercial markets, including the retrofit of SH-2 helicopters from the SH-2F to the SH-2G configuration as well as support services, logistics and spare parts for that helicopter; manufacture of the K-MAX helicopter together with spare parts and technical support; subcontract work consisting of fabrication of aircraft structures; and production of components, including self-lubricating bearings and couplings. During 2001, the segment recorded a sales and pre-tax earnings adjustment of $31,181, substantially all of which is associated with a change in estimated costs to complete the SH-2G (A) helicopter program for Australia. This adjustment has had the effect of lowering the profit rate on the Australia program. The cost growth for that program is related to a contract dispute settlement with Litton Guidance and Control Systems (now part of Northrup Grumman) regarding development of an advanced Integrated Tactical Avionics System (ITAS) that is unique to this particular contract. The corporation has replaced Litton with two subcontractors for the balance of the ITAS software development work.

The Industrial Distribution segment provides replacement parts, including bearings, power transmission, motion control and materials handling components to nearly every sector of industry in North America, along with industrial engineering support services. Operations are conducted from many locations across the United States and British Columbia, Canada. In 1999, the segment took a pre-tax charge of $12,382 to write off inventory, streamline its operational structure, and increase efficiency. During 2000, $1,680 of this pre-tax charge was unused and added back to operating profit.

The Music Distribution segment consists of distribution of musical instruments and accessories in the U.S. and abroad through offices in the U.S. and Canada. Music operations also include some manufacture of guitars.

~~NOTES TO CONSOLIDATED FINANCIAL STATEMENTS~~
~~KAMAN CORPORATION AND SUBSIDIARIES~~
~~DECEMBER 31, 2001, 2000 AND 1999~~
~~(In thousands except share and per share amounts)~~

~~Summarized financial information by business segment is as follows:~~

	2001	2000	1999
Net sales:			
Aerospace	$ 301,580	$ 381,932	$ 371,757
Industrial Distribution	453,718	520,779	505,261
Music Distribution	120,571	128,523	118,386
	$ 875,869	$ 1,031,234	$ 995,404
Operating profit:			
Aerospace	$ 6,542	$ 44,236	$ 44,023
Industrial Distribution	13,217	22,902	2,908
Music Distribution	6,580	7,441	5,627
	26,339	74,579	52,558
Interest, corporate and other expense, net	(10,675)	(16,859)	(12,085)
Earnings before income taxes	$ 15,664	$ 57,720	$ 40,473
Identifiable assets:			
Aerospace	$ 302,076	$ 307,762	$ 251,443
Industrial Distribution	134,974	137,297	141,913
Music Distribution	45,783	53,444	53,714
Corporate	39,113	55,327	87,133
	$ 521,946	$ 553,830	$ 534,203
Capital expenditures:			
Aerospace	$ 5,107	$ 6,110	$ 6,631
Industrial Distribution	1,501	2,947	2,398
Music Distribution	1,018	812	1,773
Corporate	407	1,175	162
	$ 8,033	$ 11,044	$ 10,964
Depreciation and amortization:			
Aerospace	$ 6,175	$ 5,875	$ 5,963
Industrial Distribution	2,742	3,138	3,395
Music Distribution	1,430	1,490	1,508
Corporate	1,094	1,127	1,132
	$ 11,441	$ 11,630	$ 11,998

(In thousands except share and per share amounts)

	2001	2000	1999
Geographic information - sales:			
United States	$ 726,756	$ 789,533	$ 737,023
Australia/New Zealand	100,121	186,537	200,796
Canada	27,162	29,455	28,724
Europe	12,319	12,765	11,590
Japan	6,154	6,862	10,172
Other	3,357	6,082	7,099
	$ 875,869	$1,031,234	$ 995,404

Operating profit is total revenues less cost of sales and selling, general and administrative expense other than general corporate expense. The "Interest, corporate and other expense, net" includes a pre tax gain of $2,679 related to the sale of two buildings.

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

Net sales by the Aerospace segment made under contracts with U.S. Government agencies (including sales to foreign governments through foreign military sales contracts with U.S. Government agencies) account for $81,106 in 2001, $81,519 in 2000 and $72,285 in 1999.

Sales made by the Aerospace segment under a contract with one customer were $76,865, $130,285 and $145,006 in 2001, 2000 and 1999, respectively.

REPORT OF INDEPENDENT AUDITORS
KAMAN CORPORATION AND SUBSIDIARIES

KPMG LLP
Certified Public Accountants
One Financial Plaza
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, 2001 and 2000, and the related consolidated statements of operations, changes in shareholders' equity and cash flows for each of the years in the three year period ended December 31, 2001. 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 auditing standards generally accepted in the United States of America. 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, 2001 and 2000 and the results of their operations and their cash flows for each of the years in the three year period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America.~~

~~KPMG LLP~~

~~January 28, 2002~~

EXHIBIT 21

KAMAN CORPORATION

SUBSIDIARIES

Following is a list of the Corporation's subsidiaries, each of which, unless otherwise indicated, 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 Aerospace Group, Inc.	Connecticut
Kaman Aerospace Corporation	Delaware
K-MAX Corporation	Connecticut
Kaman Aerospace International Corporation	Connecticut

Kaman X Corporation	Connecticut
Kamatics Corporation	Connecticut
Kaman PlasticFab Group, Inc.	Delaware
Plastic Fabricating Company, Inc.	Delaware
Kaman Industrial Technologies Corporation	Connecticut
Kaman Industrial Technologies, Ltd.	Canada
Delamac de Mexico, S.A. de C.V. (60%)	Mexico
Kaman Music Corporation	Connecticut
KMI Europe, Inc.	Delaware
B & J Music Ltd.	Canada
Kaman Foreign Sales Corporation	Barbados

~~EXHIBIT 23~~

~~CONSENT OF INDEPENDENT AUDITORS~~

~~KPMG LLP~~
~~Certified Public Accountants~~
~~One Financial Plaza~~
~~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 28, 2002, relating to the consolidated balance sheets of Kaman Corporation and subsidiaries as of December 31, 2001 and 2000 and the related consolidated statements of operations, changes in shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2001, and the related schedule, which reports appear~~

~~or are incorporated by reference in the December 31, 2001 annual report on Form 10-K of Kaman Corporation.~~

~~/s/ KPMG LLP~~

~~Hartford, Connecticut~~
~~March 14, 2002~~

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned does hereby appoint and constitute Paul R. Kuhn and Robert M. Garneau 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, 2001 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 12th day of February, 2002

~~Brian E. Barents~~
~~E. Reeves Callaway, III~~
~~Frank C. Carlucci~~
~~Laney J. Chouest~~
~~John A. DiBiaggio~~
~~Huntington Hardisty~~
~~C. William Kaman, II~~
~~Eileen S. Kraus~~
~~Paul R. Kuhn~~
~~Walter H. Monteith, Jr.~~
~~Wanda L. Rogers~~