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, 1996

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
- -Series 2 Preferred Stock, Par Value $1.00
- -Depositary Shares, each representing one quarter of a share of Series 2 Preferred Stock

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

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

State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within 60 days prior to the date of filing. $1,582,872 as of February 3, 1997.

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

Class A Common	18,088,015 shares
Class B Common	667,814 shares

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Corporation's 1996 Annual Report to Shareholders are incorporated by reference and filed as Exhibit 13 to this Report. No other documents except those previously filed with the Commission are incorporated herein by reference.

PART I

ITEM 1. BUSINESS

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

DIVERSIFIED TECHNOLOGIES

The Diversified Technologies segment consists of several wholly-owned subsidiaries, including Kaman Diversified Technologies Corporation, Kaman Aerospace Corporation, Kaman Aerospace International Corporation, Kaman Sciences Corporation, Kamatics Corporation, Kaman Electromagnetics Corporation, and Kaman Instrumentation Corporation.

An important element of the Diversified Technologies segment's business is aircraft manufacturing, including the development and manufacture of helicopters and the integration of systems related to helicopters, such as advanced electronic systems and certain of the Corporation's own proprietary systems. The Corporation has been the prime contractor for the U.S. Navy for the SH-2 series helicopter, a multi-mission aircraft. Although the Corporation is not presently manufacturing further aircraft for the U.S. Navy, sixteen (16) aircraft of the SH-2G configuration are in the U.S. Navy's Reserve fleet and the Corporation expects to continue to provide logistics and spare parts support for these aircraft. The Corporation continues to explore the potential for use of the SH-2G helicopters by foreign military services that are buying or building the smaller ships for which this aircraft is well-suited. In 1996, the Corporation performed work pursuant to a letter agreement between the Republic of Egypt and the U.S. Navy for the retrofit into the SH-2G configuration of ten (10) SH-2F helicopters previously manufactured for the U.S. Navy. The contract between the Corporation and the U.S. Navy for this work was finalized in December 1996 and has a value of approximately $150 million, with deliveries scheduled to begin in the fourth quarter of 1997 and to be completed by the end of 1998. In January 1997 the Corporation was notified by the Australian government that it had been selected as the "preferred tenderer" in a competition to supply eleven (11) SH-2G multi-mission helicopters for deployment aboard Royal Australian Navy ANZAC frigates with deliveries expected to begin not earlier than 2001. Contract negotiations are expected to begin in the first quarter of 1997 and take several months to complete. The aircraft will incorporate an Integrated

Tactical Avionics System (ITAS) "glass cockpit," new sensors and advanced systems; therefore while the contract value is presently undetermined it is expected to be significantly higher in dollar value than the program for Egypt. In March 1997 the Corporation was notified by the New Zealand government that it was also selected as the "preferred tenderer" in a competition to supply four (4) SH-2G multi-mission helicopters for deployment aboard New Zealand's ANZAC and Leander class frigates. The total contract value and deliveries are to be determined during formal contract negotiations which are expected to begin shortly. In addition, the Corporation continues to pursue anticipated competitions in Malaysia, the Philippines, Taiwan, Thailand and elsewhere.

The Corporation also produces a commercial helicopter, known as the K-MAX (Registered Trademark) "aerial truck" incorporating intermeshing rotor technology developed by the Corporation. The K-MAX is an FAA type certificated medium-to-heavy lift helicopter with operating characteristics that distinguish it from other helicopters for use in logging, fire fighting, reforestation, utility power line work, and other applications. The aircraft is now certified in the United States, Canada, Germany, Switzerland and Japan. The K-MAX program completed its second full year of commercial operation in 1996. The production lot of K-MAX helicopters for 1996 consisted of six (6) aircraft and a similar number are scheduled for production in 1997. In April 1996, the U.S. Navy Military Sealift Command ("MSC") awarded the Corporation a contract to provide an extended demonstration of the K-MAX helicopter's vertical replenishment ("VERTREP") capability. This was the second such award which the Corporation received. That demonstration began in May, with two (2) K-MAX helicopters supporting MSC airborne cargo movement for a period of seven (7) months. The value of the contract was $5.7 million. The demonstration was conducted under a charter/lease arrangement whereby the Corporation provided the aircraft, crew, and all maintenance and logistics support. Late in 1996, the MSC announced a third VERTREP competition for a seven-month deployment with the Atlantic Fleet in the Mediterranean Sea. The Corporation bid for this third demonstration, as well, but in February 1997, MSC announced it had decided to evaluate the services of another provider. The Corporation has been the only commercial organization to carry out such VERTREP demonstrations to date, so the Corporation does not consider it unusual that the government would choose to award the latest project to another provider in order to obtain comparative performance data.

Kaman manufactures subcontract aircraft products for government and commercial customers on programs such as the McDonnell Douglas C-17 and the Boeing 767 and 777, and is involved in various programs requiring development of new technologies such as composite structural components for the F-22 aircraft. It also manufactures ruggedized tape and disk memory systems used primarily in aircraft, and airborne laser-based electro-optical imaging and detection systems for military and

commercial operations. Such electro-optical systems include imaging LIDAR systems and the Corporation's proprietary Magic Lantern (Registered Trademark) system which allows underwater objects to be detected from an airborne platform. In 1996 the Corporation delivered the first Magic Lantern (registered trademark) laser-based mine detection system to the U.S. Navy Reserve forces for deployment on the Corporation's SH-2G helicopters.

As a second category of its business, the Diversified Technologies segment also provides advanced technology services to a number of customers, including all branches of the armed forces, various Government agencies, the Department of Energy, Department of Transportation, various defense contractors, utilities and industrial organizations. The services offered include software engineering and maintenance, operation of Government information analysis centers, field and laboratory testing services, communication system design and analysis, specialized sensor design, electromagnetic interference and compatibility evaluations, analysis and simulation of electronic signals, various types of artificial intelligence systems, intrusion detection systems, and weapon system evaluation. During 1996 the Corporation was awarded a contract from the U.S. Air Force for software support services to the Cheyenne Mountain Air Station, Colorado Springs, Colorado. The contract represents the third consecutive five year award to the Corporation for this work, dating back to 1987. The estimated value of the contract is $150 million, inclusive of options, over the next five years.

A third category of this segment's business is developing and manufacturing various advanced technology products and systems which are used in markets that the Corporation serves. Among the products manufactured are self lubricating bearings for use on aircraft, marine vessels and hydropower plants; flexible couplings for helicopters; precision measuring instruments used in a variety of industries; composite flyer bows used in wire making machinery; RF transmission and delay lines; telecommunication products; photonic and optical systems; and safing and fuzing systems for use in missiles. The Corporation also develops and produces various motors, generators, alternators, launchers and electric drive systems using electromagnetic technology. In addition, the Corporation has contracts with the U.S. government for a number of advanced technology programs relating to some of the systems described above and to other proprietary systems developed by the Corporation.

DISTRIBUTION

The Distribution segment consists of several wholly-owned subsidiaries including Kaman Industrial Technologies Corporation, and Kaman Music Corporation. This segment distributes industrial products, and manufactures and distributes music products.

Kaman Industrial Technologies Corporation is a national distributor of industrial products operating through more than 175 locations in 35 states and British Columbia, Canada. The Corporation supplies a broad range of industries with original equipment, repair and replacement products needed to maintain traditional manufacturing processes and, increasingly, with products of higher technological content that are required to support automated production processes. The Corporation serves nearly every sector of heavy and light industry, including automobile manufacturing, agriculture, food processing, pulp and paper manufacturing, mining, chemicals, electronics and general manufacturing. Products available include various types of standard and precision mounted and unmounted bearings; mechanical power transmission equipment such as V-belts, couplings, and gear reducers; electrical power transmission products, motors, AC/DC controls, sensors and motion control devices; materials handling equipment, belts, conveyor idlers and pulleys; linear motion products; hydraulic drive systems and parts; and accessory products such as lubricants and seals. Although the vast majority of the Corporation's business consists of resale of products, operations include some design, fabrication, and assembly work in connection with products sold.

The Corporation continues to develop certain support service capabilities in order to meet the maintenance needs of its customers' manufacturing operations. These services include electrical panel and systems fabrication centers capabilities and similar capabilities for hydraulic and pneumatic control panels, linear positioning systems, and material handling systems. In 1996 the Corporation, on a limited basis, continued to act as a supplier of capital equipment to various systems engineering and manufacturing customers by acting as a sales agent for certain equipment manufacturers. As the Corporation has entered new market areas, it has invested in new product inventory and in some instances it has established inventory on consignment in customer locations. The Corporation maintains a management information system, consisting of an on-line computer network linking all of its mainland U.S. and Canadian industrial distribution facilities, which enhances its ability to provide more efficient nationwide service and to improve inventory management. In addition, the Corporation has undertaken initiatives to address the needs of certain national account customers that desire to consolidate their vendor base by entering into "partnering" relationships to broaden geographical coverage. For larger customers, the Corporation has also been given the opportunity to provide an "integrated supply" function involving management of parts inventories and associated personnel as well as selection of suppliers for the customer's facility. In 1996 the Corporation opened new branches in the South and Midwest regions of the United States to service new customers and develop additional business.

Kaman Music Corporation distributes more than 10,000 different music instruments and accessories to independent retailers in the United States and Canada and to international distributors in over 65 countries. Products include acoustic, acoustic-electric and electric guitars and basses, music strings for all fretted instruments, drums, percussion products and related accessories, instrument and P.A. amplification systems, electronic tuners and metronomes, educational percussion and brass instruments and a full range of accessories for all musical instruments. The Corporation manufactures and distributes certain guitars under the Corporation's various brand names including Ovation and Hamer guitars, and the Trace Elliot range of stringed instrument amplification equipment. In 1996 the Corporation discontinued its manufacture of musical instrument strings. Operations of Kaman Music Corporation are conducted through seven (7)distribution centers in the United States and Canada, an international sales division based in the United States, one (1) manufacturing facility in the United States and one (1) manufacturing facility in Great Britain.

In 1996 the segment also distributed aviation fuel and provided aviation services for general and commercial aviation at Jacksonville International Airport, Jacksonville, Florida where the Corporation conducted fixed base operations under a contract with the Port Authority of the City of Jacksonville. This operation, which was the last of several such operations previously owned by the Corporation, was sold in February, 1997. See Item 13.

FINANCIAL INFORMATION

Information concerning each segment's performance for the last three fiscal years appears in the Corporation's 1996 Annual Report to Shareholders and is included in Exhibit 13 to this Form 10-K, and is incorporated by reference.

PRINCIPAL PRODUCTS AND SERVICES

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

	Years Ended December 31 1994	1995	1996
Diversified Technologies:			
Advanced Technology Products and Systems	6.2%*	5.3%	5.5%
Advanced Technology Services	13.5	12.7	13.2
Aircraft Manufacturing	18.2*	18.0	18.3
Segment Total	37.9	36.0	37.0
Distribution:			
Industrial Products	46.7	48.0	47.2
Music Products and Other Services	15.4	16.0	15.8
Segment Total	62.1	64.0	63.0
Total	100.0%	100.0%	100.0%

*Reflects re-configuration of certain business lines.

RESEARCH AND DEVELOPMENT EXPENDITURES

Government sponsored research expenditures by the Diversified Technologies segment were $68.8 million in 1996, $70.2 million in 1995, and $82.2 million in 1994. Amounts shown for 1994 reflect reconfiguration of certain government sponsored contracts. Independent research and development expenditures were $8.0 million in 1996, $13.7 million in 1995, and $21.1 million in 1994.

BACKLOG

Program backlog of the Diversified Technologies segment was approximately $267 million at December 31, 1996, $218.7 million at December 31, 1995, and $228.9 million at December 31, 1994. The Corporation anticipates that approximately 82.6% of its backlog at the end of 1996 will be performed in 1997. Approximately 65.5% of the backlog at the end of 1996 is related to government contracts or subcontracts which are included in backlog to the extent that funding has been appropriated by Congress and allocated to the particular contract by the relevant procurement agency. Certain of these government contracts, less than 1% of the backlog, have been funded but not signed.

GOVERNMENT CONTRACTS

During 1996, approximately 50.5% of the work performed by the Corporation directly or indirectly for the United States government was performed on a fixed-price basis and the balance

was performed on a cost-reimbursement basis. Under a fixed-price contract, the price paid to the contractor is negotiated at the outset of the contract and is not generally subject to adjustment to reflect the actual costs incurred by the contractor in the performance of the contract. Cost reimbursement contracts provide for the reimbursement of allowable costs and an additional negotiated fee.

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

COMPETITION

The Diversified Technologies segment operates in a highly competitive environment with many other organizations which are substantially larger and have greater financial and other resources. For sales of advanced technology products and systems, the Corporation competes with a wide range of manufacturers primarily on the basis of price and the quality, endurance, reliability and special performance characteristics of those products. Operations also depend in part on the ability to develop new technologies which have effective commercial and military applications. Examples of proprietary or patented products developed by the Corporation include the Magic Lantern (Registered Trademark) system for detecting underwater objects from a helicopter, the Kamatics line of specialty bearings and the Corporation's line of electromagnetic motors and drives, among others. In providing scientific services and systems development, the Corporation competes primarily on the basis of the technical capabilities and experience of its personnel in specific fields. When bidding for aerospace contracts and subcontracts, the Corporation competes on the basis of price and quality of its products and services as well as the availability of its facilities, equipment and personnel to perform the contract. In providing spare parts, the Corporation competes with other helicopter manufacturers on the basis of price, performance and product capabilities and also on the basis of its experience as a manufacturer of helicopters. The Corporation's FAA certificated K-MAX helicopters compete with military surplus helicopters and other helicopters used for lifting, as well as with alternative methods of meeting lifting requirements. During 1996 the Department of Defense continued to pursue its implementation of defense acquisition reform by emphasizing the use of commercially developed state-of-the-art technology products and performance-based procurement standards rather than traditional military specification standards. The change in defense program emphasis and greater constraints in the federal budget have increased the level of competition for defense programs. In

pursuing opportunities for foreign sales, the Corporation's competitive position is affected by the political circumstances of its foreign customers, in addition to budgetary considerations and other matters.

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

The Corporation also competes on the basis of quality and market recognition of its music products and has established certain trademarks and trade names under which certain of its music products are produced both in the United States and Great Britain, 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 prospects, including future contract awards and negotiations, the SH-2G and K-MAX helicopter programs, 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 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 termination for the convenience of the government; 4) competitive conditions in markets served by the Corporation; 5) the degree of acceptance of new products in the marketplace; 6) currency exchange rates, taxes, laws and regulations, inflation rates, general business conditions and other factors. Any forward-looking information should be considered with these factors in mind.

EMPLOYEES

As of December 31, 1996, the Corporation employed 5,476 individuals throughout its industry segments as follows:

Diversified Technologies	3,058
Distribution	2,347
Corporate Headquarters	71

	5,476

PATENTS AND TRADEMARKS

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

Although the Corporation's patents enhance its competitive position, management believes that none of such patents or patent applications is singularly or as a group essential to its business as a whole. The Corporation holds or has applied for U.S. and foreign patents with expiration dates that range through the year 2016.

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

	U.S. PATENTS		FOREIGN PATENTS	
Segment	Issued	Pending	Issued	Pending
Diversified Technologies	96	12	59	32
Distribution	22	7	14	4

Trademarks of Kaman Corporation include Adamas, Applause, Hamer, KAflex, KAron, K-MAX, Magic Lantern, and Ovation. In all, the Corporation maintains 214 U.S. and foreign trademarks with 34 applications pending, most of which relate to music products in the Distribution segment.

COMPLIANCE WITH ENVIRONMENTAL PROTECTION LAWS

In the opinion of management, based on the Corporation's knowledge and analysis of relevant facts and circumstances, 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 and inspections by various federal and state environmental agencies and has entered into agreements and consent decrees at various times in connection with such reviews. 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 such matters, 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

Ninety one and five tenths percent (91.5%) of the sales of the Corporation are made to customers located in the United States. Certain retrofit work on SH-2 series helicopters for delivery to the Republic of Egypt is presently being performed by the Corporation under an agreement between it and the U.S. Navy and, because such work is a "foreign military sale" with the U.S. Government, it is not included in the calculation of foreign sales. In 1996, the Corporation continued its efforts to develop international markets for its products and foreign sales (including sales for export).

ITEM 2. PROPERTIES

The Corporation occupies approximately 3.9 million square feet of space throughout the United States, Canada, and Great Britain, distributed as follows:

SEGMENT	SQUARE FEET (in thousands)
Diversified Technologies	1,953
Distribution	1,908
Corporate Headquarters	40

Diversified Technologies principal facilities are located in Arizona, Colorado, Connecticut, Massachusetts, Pennsylvania and Virginia; other facilities including offices and smaller manufacturing and assembly operations are located in several other states, and in 1996 the Corporation opened an office in Turner, Australia. These facilities are used for manufacturing, scientific research and development, engineering and office purposes. The U.S. Government owns 154 thousand square feet of the space occupied

by Kaman Aerospace Corporation in Bloomfield, Connecticut in accordance with a facility contract. In 1996 the Corporation sold approximately 26 acres of land previously owned by it in Colorado Springs, Colorado to an unrelated third party.

The Distribution segment's facilities are located throughout the United States with principal facilities located in California, Connecticut, New York, Texas and Utah with smaller facilities located in several other states. Additional Distribution segment facilities are located in British Columbia, and Ontario, Canada; and in Essex, England. These facilities consist principally of regional distribution centers, service centers and office space with a portion used for fabrication and assembly work. Also included are facilities used for manufacturing musical instruments.

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

The Corporation's facilities are suitable and adequate to serve its purposes and substantially all of such properties are currently fully utilized. Many of the properties, especially within the Distribution segment, are leased and certain of the Corporation's properties are subject to mortgages.

ITEM 3. LEGAL PROCEEDINGS

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

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

There were no matters submitted to a vote of security holders during the fourth quarter of 1996.

PART II

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

CAPITAL STOCK AND PAID-IN CAPITAL

Information required by this item appears in the Corporation's 1996 Annual Report to Shareholders and is included in Exhibit 13 to this Form 10-K, and is incorporated herein by reference.

DIVIDEND REINVESTMENT PLAN

Registered shareholders of Kaman Class A common stock are eligible to participate in the Automatic Dividend Reinvestment Program. A booklet describing the plan may be obtained by writing to the Corporation's transfer agent, ChaseMellon Shareholder Services, L.L.C., P. O. Box 590, Ridgefield Park, NJ 07660.

QUARTERLY CLASS A COMMON STOCK INFORMATION

	High	Low	Close	Dividend
1996				
First	$11 1/8	$10	$10 7/8	$.11
Second	13 3/8	10	10 1/8	$.11
Third	11 1/4	9 3/8	10 5/8	$.11
Fourth	13	10	13	$.11
1995				
First	$11 1/2	$10	$ 11 1/8	$.11
Second	13 3/8	10 7/8	12 3/4	$.11
Third	13	11 1/2	11 7/8	$.11
Fourth	12 1/8	10 1/2	11 1/8	$.11

QUARTERLY DEBENTURE INFORMATION (6% Conv. Subordinated)

	High	Low	Close
1996			
First	$87	$82	$84
Second	86	81	82
Third	85 1/8	80	82
Fourth	87 1/2	82	87
1995			
First	$77	$72 1/2	$74
Second	82 1/2	74	79 1/4
Third	86	80	86
Fourth	87	82	82

QUARTERLY DEPOSITARY SHARES INFORMATION

	High	Low	Close	Dividend
1996				
First	$50 3/4	$47	$48 5/8	$.81 1/4
Second	56 1/2	49	52	$.81 1/4
Third	51 1/2	47 1/2	48 1/2	$.81 1/4
Fourth	54	48 1/2	53	$.81 1/4
1995				
First	$50	$44 3/16	$45	$.81 1/4
Second	56	46	54 1/4	$.81 1/4
Third	54	50 3/4	52	$.81 1/4
Fourth	53	47	47	$.81 1/4

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

ANNUAL MEETING

The Annual Meeting of Shareholders will be held on Tuesday, April 15, 1997 at 11:00 a.m. in the offices of the Corporation, 1332 Blue Hills Avenue, Bloomfield, Connecticut 06002.

ITEM 6. SELECTED FINANCIAL DATA

Information required by this item appears in the Corporation's 1996 Annual Report to Shareholders and is included in Exhibit 13 to this Form 10-K, and is incorporated herein by reference.

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

Information required by this item appears in the Corporation's 1996 Annual Report to Shareholders and is included in Exhibit 13 to this Form 10-K, and is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Information required by this item appears in the Corporation's 1996 Annual Report to Shareholders and is included in Exhibit 13 to this Form 10-K, and is incorporated herein by reference. Additional financial information is contained in the Financial Data Schedule included as Exhibit 27 to this Form 10-K.

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

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

Brian E. Barents	Mr. Barents, 53, was elected a Director in November 1996. He is President and Chief Executive Officer of Galaxy Aerospace Corp. Prior to that he was President and Chief Executive Officer of Lear Jet Inc., a subsidiary of Bombardier, Inc. He is a director of Intrust Bank of Wichita and Interactive Flight Technologies, Inc.

T. Jack Cahill	Mr. Cahill, 48, has held various positions with Kaman Industrial Technologies Corporation, a subsidiary of the Corporation, since 1975, and has been President of Kaman Industrial Technologies since 1993.
E. Reeves Callaway, III	Mr. Callaway, 49, has been a Director since 1995. He is President of The Callaway Companies, Inc.
Frank C. Carlucci	Mr. Carlucci, 66, has been a Director since 1989. He is Chairman of The Carlyle Group, merchant bankers. Prior to that he served as U.S. Secretary of Defense. Mr. Carlucci is also a director of Ashland, Inc., Bell Atlantic Corporation, BDM International, General Dynamics Corporation, Neurogen Corporation, Northern Telecom, Ltd., Pharmacia & Upjohn, Inc., Quaker Oats Company, Sun Resorts, Ltd., N.V., Texas Biotechnology Corporation, and Westinghouse Electric Corporation.
Laney J. Chouest, M.D.	Mr. Chouest, 43, was appointed a Director at the Corporation's 1996 Annual Meeting of Shareholders. He is owner-manager of Edison Chouest Offshore, Inc. and Galliano Marine. Dr. Chouest is also a director of Deeptech International, Inc.
Candace A. Clark	Ms. Clark, 42, was appointed Senior Vice President and Chief Legal Officer in April 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, 64, has been a Director since 1984. He is President and Chief Executive Officer of Tufts University. Prior to that he was President and Chief Executive Officer of Michigan State University.
Edythe J. Gaines	Dr. Gaines, 74, has been a Director since 1982. She is a retired Commissioner of the Public Utility Control Authority of the State of Connecticut.

Ronald M. Galla	Mr. Galla, 46, 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, 52, 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.), 67, has been President of Kaman Aerospace International Corporation, a subsidiary of the Corporation, since 1995 and he has been a Director since 1991. He retired from the U.S. Navy in 1991 having served as Commander-in-Chief for the U.S. Navy Pacific Command since 1988. He is also a director of Contraves, Inc., MPR Inc., and CNA Corporation.
Charles H. Kaman	Mr. Kaman, 77, has been Chief Executive Officer and Chairman of the Board of Directors since 1945. He was also appointed President in December, 1995, a position he previously held from 1945 to 1990.
C. William Kaman II	Mr. Kaman, 45, has been a Director since 1992 and has been Executive Vice President since 1995. He has held various positions with Kaman Music Corporation, a subsidiary of the Corporation, since 1974, and continues to serve as President of that subsidiary. Mr. Kaman is the son of Charles H. Kaman, Chairman, President and Chief Executive Officer of the Corporation.
Walter R. Kozlow	Mr. Kozlow, 61, has held various positions with Kaman Aerospace Corporation, a subsidiary of the Corporation, since 1960. He has been President of Kaman Aerospace since 1986.

Eileen S. Kraus	Ms. Kraus, 58, has been a Director since 1995. She is Chairman of Fleet Bank, N.A. Since 1979 she has held various positions at Shawmut Bank Connecticut and Shawmut National Corporation, predecessors of Fleet Bank, N.A. and its holding company, Fleet Financial Group. She is a director of Yankee Energy System, Inc., The Stanley Works, and CPC International, Inc.
Hartzel Z. Lebed	Mr. Lebed, 69, has been a Director since 1982. He is the retired President of CIGNA Corporation and is a director of Shawmut National Trust Co., a subsidiary of Fleet Financial Corporation.
Harvey S. Levenson	Mr. Levenson, 56, has been a Director since 1989. He is a managing member of Hamleg Enterprises, LLC, a private investment company, having previously served as President and Chief Operating Officer of the Corporation from 1990 until his retirement in December, 1995. Mr. Levenson is also a director of Connecticut Natural Gas Corporation and Security-Connecticut Corporation.
Walter H. Monteith, Jr.	Mr. Monteith, 66, has been a Director since 1987. He is the retired Chairman of Southern New England Telecommunications Corporation. Mr. Monteith is also a director of Fleet Bank.
John S. Murtha	Mr. Murtha, 83, has been a Director since 1948. He is counsel to and a former senior partner of the law firm of Murtha, Cullina, Richter and Pinney.
Patrick L. Renehan	Mr. Renehan, 63, was appointed Senior Vice President of Kaman Diversified Technologies Corporation, a subsidiary of the Corporation, in April 1996. Prior to that he served as Vice President. Mr. Renehan has held various positions with the Corporation since 1983.
Wanda L. Rogers	Mrs. Rogers, 64, has been a Director since 1991. She is President and Chief Executive Officer of Rogers Helicopters, Inc. She is also Chairman of the Board of Clovis Community Bank.

Robert H. Saunders, Jr.	Mr. Saunders, 56, has been Senior Vice President since 1995. Previously he was Vice President and Chief Financial Officer of the University of Hartford from 1993 to 1995. Prior to that he was President of J. M. Ney Corporation.

Each Director and Executive Officer has been elected for a term of one year and until his or her successor is elected. The terms of all such Directors and Executive Officers are expected to expire as of the Annual Meeting of the Shareholders and Directors of the Corporation to be held on April 15, 1997.

No Section 16(a) Reporting delinquencies occurred in 1996.

ITEM 11. EXECUTIVE COMPENSATION

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

B) SUMMARY COMPENSATION TABLE.

		Annual Compensation			Long Term Compensation			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Comp.	AWARDS RSA ($)(1)	AWARDS Options (#Shares)	LTIP Payments	All Other Comp. ($)(2)
C. H. Kaman Chairman and Chief Executive Officer	1996	725,000	340,000	56,252(3)	------	------	---	58,412
	1995	660,000	275,000	------	------	------	---	56,145
	1994	660,000	-------	------	------	------	---	55,261
R.M.Garneau Executive Vice President and Chief Financial Officer	1996	240,000	82,000	------	77,813	10,000	---	7,935
	1995	216,000	80,000	------	56,875	7,500	---	6,485
	1994	200,000	60,000	------	------	------	---	4,845
W.R.Kozlow President, Kaman Aerospace Corporation	1996	233,000	65,000	------	62,250	9,000	---	10,881
	1995	226,000	60,000	------	56,875	7,500	---	9,515
	1994	216,000	60,000	------	------	------	---	8,636
C. W. Kaman Executive Vice President and President, Kaman Music Corporation	1996	224,000	61,000	------	77,813	10,000	---	3,163
	1995	200,000	25,000	------	56,875	7,500	---	4,398
	1994	190,000	55,000	------	------	------	---	3,714
T. J. Cahill President, Kaman Industrial Technologies Corporation	1996	210,000	70,000	------	62,250	9,000	---	7,952
	1995	190,000	55,000	------	56,875	7,500	---	6,530
	1994	172,000	40,000	------	------	------	---	5,126

1. As of December 31, 1996, aggregate restricted stock holdings and their year end value were: C.H.Kaman, none; R.M.Garneau, 13,300 shares valued at $172,900; W.R.Kozlow, 11,800 shares valued at $153,400; C.W. Kaman II, 13,200 shares values at $171,600; and T. J. Cahill, 12,500 shares valued at $162,500. Restrictions lapse at the rate of 20% per year for all awards, beginning one year after the grant date. Awards reported in this column are as follows: R.M.Garneau, 7,500 shares in 1996 and 5,000 shares in 1995; W.R.Kozlow, 6,000 shares in 1996 and 5,000 shares in 1995; C.W. Kaman II, 7,500 shares in 1996 and 5,000 shares in 1995; and T.J. Cahill, 6,000 shares in 1996 and 5,000 shares in 1995. Dividends are paid on the restricted stock.

2. Amounts reported in this column consist of: C.H. Kaman, $53,000 - Officer 162 Insurance Program, $ 5,412 - medical expense reimbursement program ("MERP"); R.M. Garneau, $2,164 - Senior executive life insurance program ("Executive Life"), $851 - Officer 162 Insurance Program, $1,875 - employer matching contributions to the Kaman Corporation Thrift and Retirement Plan (the "Thrift Plan employer match"), $895 - MERP, $2,150 - all supplemental employer contributions under the Kaman Corporation Deferred Compensation Plan ("supplemental employer contributions"); W.R. Kozlow, $5,212 - Executive Life, $1,875 - Thrift Plan employer match, $1,944 - MERP, $1,850 - supplemental employer contributions; C.W. Kaman II, $1,126 - - Executive Life, $1,875 - Thrift Plan employer match, $162 - MERP; T. J. Cahill, $1,340 - Executive Life, $1,875 - Thrift Plan employer match, $3,112 - MERP, $1,625 - supplemental employer contributions.

3. The Corporation maintains a program pursuant to which it pays for tax and estate planning services provided to executive officers by third parties, up to certain limits. $45,314 of the figure reported in this column relates to payments for such services on behalf of Mr. Kaman.

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

Individual Grants					Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term*	
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Name	Options/ SARs Granted (#)	% of Total Options/ SARs Granted to Employees in Fiscal Year	Exercise or Base Price ($/Sh)	Expiration Date	5%($)	10%($)
C. H. Kaman	none	----	---	---	---	---
R. M. Garneau	10,000	5.9	10.375	2/13/06	16.90	26.91
W. R. Kozlow	9,000	5.3	10.375	2/13/06	16.90	26.91
C. W. Kaman II	10,000	5.9	10.375	2/13/06	16.90	26.91
T. J. Cahill	9,000	5.3	10.375	2/13/06	16.90	26.91

*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.

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 Unexercised options/SARs at FY-end (#) exercisable/ unexercisable (d)	Value of Unexercised in-the-money options/SARs at FY-end ($) exercisable/ unexercisable (e)
C. H. Kaman	None	------	45,000/-0-	233,125/-0-
R. M. Garneau	None	------	14,900/19,600	63,087/48,600
W. R. Kozlow	1,600	5,000	18,900/18,600	83,587/45,975
C. W. Kaman II	3,200	13,200	14,900/19,600	62,837/48,600
T. J. Cahill	1,600	5,000	10,000/18,000	38,937/43,875

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

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

PENSION PLAN TABLE

	Years of Service				
Remuneration*	15	20	25	30	35
125,000	33,750	45,225	56,025	67,500	67,500
150,000	41,250	55,275	68,475	82,500	82,500
175,000	48,750	65,325	80,925	97,500	97,500
200,000	56,250	75,375	93,375	112,500	112,500
225,000	63,750	85,425	105,825	127,500	127,500
250,000	71,250	95,475	118,275	142,500	142,500
300,000	86,250	115,575	143,175	172,500	172,500
350,000	101,250	135,675	168,075	202,500	202,500
400,000	116,250	155,775	192,975	232,500	232,500
450,000	131,250	175,875	217,875	262,500	262,500
500,000	146,250	195,975	242,775	292,500	292,500
750,000	221,250	296,475	367,275	442,500	442,500
1,000,000	296,250	396,975	491,775	592,500	592,500
1,250,000	371,250	497,475	616,275	742,500	742,500
1,500,000	446,250	597,975	740,775	892,500	892,500

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

"Covered Compensation" means "W-2 earnings" or "base earnings", if greater, as defined in the Pension Plan. W-2 earnings for pension purposes consist of salary (including 401(k) and Section 125 Plan contributions but not deferrals under a non-qualified Deferred Compensation Plan), bonus and taxable income attributable to restricted stock awards. Salary and bonus amounts for the named Executive Officers for 1996 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. C. H. Kaman, $1,000,000; Mr. Garneau, $358,879; Mr. Kozlow, $331,384; Mr. C. W. Kaman, II, $283,966; Mr. Cahill, $304,345.

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

The Executive Officers named in Item 11(b) are participants in the plan and as of December 31, 1996, had the number of years of credited service indicated: Mr. C. H. Kaman - 51.10 years; Mr. Garneau - 15.48 years; Mr. Kozlow - 36.70 years; Mr. C. W. Kaman, II - 22.20; Mr. Cahill - 21.70 years.

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

G) COMPENSATION OF DIRECTORS. Effective January 1, 1997, non-officer members of the Board of Directors of the Corporation receive an annual retainer of $20,000 and a fee of $1,000 for attending each meeting of the Board and each meeting of a Committee of the Board, except that the Chairman of the Audit Committee receives $1,250 for attending each meeting of that Committee. These fees may be received on a deferred basis. In addition each such person will receive a 500 share Restricted Stock Award (RSA) providing for immediate vesting upon election as a director at the Corporation's 1997 Annual Meeting of Shareholders.

H) EMPLOYMENT CONTRACTS AND TERMINATION, SEVERANCE AND CHANGE OF CONTROL ARRANGEMENTS. Except as described in connection with the Corporation's Pension Plan and the Corporation's non-qualified Deferred Compensation Plan, the Corporation has no employment contract, plan or arrangement with respect to any named executive which relates to employment termination for any reason, including resignation, retirement or otherwise, or a change in control of the Corporation or a change in any such executive officer's responsibilities following a change of control, which exceeds or could exceed $100,000, except as disclosed in Item 13.

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, Laney J. Chouest, Edythe J. Gaines, Walter H. Monteith, Jr. and John S. Murtha.

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. Mr. Murtha's relationship with the Corporation is further disclosed in Item 13 of this report.

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

K) Not Applicable.

L) Not Applicable.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS.

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

Class of Common Stock	Name and Address Beneficial Owner	Number of Shares Owned as of February 1, 1997	Percentage of Class
Class B	Charles H. Kaman Kaman Corporation Blue Hills Avenue Bloomfield, CT 06002	258,375(1)	38.69%
Class B	Newgate Associates, Ltd. c/o Murtha, Cullina, Richter & Pinney CityPlace I 185 Asylum Street Hartford, CT 06103	199,802	29.91%
Class B	C. William Kaman, II Kaman Corporation Blue Hills Avenue Bloomfield, CT 06002	55,206	8.27%
Class B	Robert D. Moses Farmington Woods Avon, CT 06001	48,729(2)	7.30%

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

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

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

Name	Class of Common Stock	Number of Shares Owned as of February 1, 1997	Percentage of Class
Brian E. Barents	-------	-------	-----
T. Jack Cahill	Class A	34,525(1)	*
E. Reeves Callaway	-------	-------	-----
Frank C. Carlucci	Class A	3,000(2)	*
Laney J. Chouest	Class A	5,331	*
John A. DiBiaggio	-------	-------	-----
Edythe J. Gaines	Class A	2,136	*
Robert M. Garneau	Class A	41,310(3)	*
	Class B	7,970	*
Huntington Hardisty	Class A	6,000	*
Charles H. Kaman	Class A	248,654(4)	1.13%
	Class B	258,375(5)	38.69%
C. William Kaman, II	Class A	74,844(6)	*
	Class B	55,206(7)	8.27%
Walter R. Kozlow	Class A	65,439(8)	*
	Class B	296	*
Eileen S. Kraus	Class A	514	*
Hartzel Z. Lebed	Class A	13,544(9)	*
Harvey S. Levenson	Class A	12,120	*
	Class B	19,500(10)	2.92%
Walter H. Monteith, Jr.	Class A	200	*
John S. Murtha	Class A	53,548(11)	*
	Class B	432	*
Wanda L. Rogers	Class A	1,000	*
All Directors and Executive Officers as a group **	Class A	562,165(12)	3.03%
	Class B	341,779	51.18%

(1) Includes 10,000 shares subject to the exercisable portion of stock options.
(2) Held jointly with Mrs. Carlucci.
(3) Includes 14,900 shares subject to the exercisable portion of stock options.
(4) Excludes the following: 24,132 shares held by Mrs. Kaman; 7,871 shares held by Fidelco Guide Dog Foundation, Inc., a charitable foundation of which Mr. Kaman is President and Director, in which shares Mr. Kaman disclaims beneficial ownership; 184,434 shares held by Newgate Associates Limited Partnership, a limited partnership of which Mr. Kaman is the general partner; 21,816 shares held by Oldgate Associates ("Oldgate") a limited partnership of which Mr. Kaman is the general partner; 125,034 shares held by Oldgate and as to which shares Mr. Kaman disclaims beneficial interest, such portion of Oldgate having been placed in an irrevocable trust; and 72,500 shares held by the Charles H. Kaman Charitable Foundation, a private charitable foundation. Included are 45,000 shares subject to exercisable portion of stock options.
(5) Excludes the following: 1,471 shares held by Mrs. Kaman and 199,802 shares held by Newgate Associates Limited Partnership, a limited partnership of which Mr. Kaman is the general partner.
(6) Includes 14,900 shares subject to exercisable portion of stock options; and excludes 79,728 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 18,900 shares subject to exercisable portion of stock options.
(9) Includes 6,000 shares held in an Individual Retirement Account, and shares held jointly with Mrs. Lebed; excludes 480 shares held by Mrs. Lebed.
(10) Excludes 500 shares held by Mrs. Levenson.
(11) Held by Fleet National Bank pursuant to a revocable trust. Excludes 7,980 shares held by Fleet National Bank pursuant to a revocable trust for the benefit of Mrs. Murtha.
(12) Includes 103,100 shares subject to exercisable portion of stock options.
* Less than one percent.
** Excludes 24,612 Class A shares and 1,971 Class B shares held by spouses of certain Directors and Executive Officers.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During 1996, the Corporation obtained legal services from the Hartford, Connecticut law firm of Murtha, Cullina, Richter and Pinney of which Mr. Murtha, a Director of the Corporation, is counsel. The Corporation also obtained video production services in the amount of $109,370 from Polykonn Corporation, a Corporation controlled by Mr. Steven Kaman, son of Charles H. Kaman, Chairman

and Chief Executive Officer of the Corporation. In addition the Corporation obtained consultant's services from Mr. Levenson, a Director of the Corporation in connection with a consultant's agreement entered into with Mr. Levenson for a term of one year under which the Corporation paid Mr. Levenson a consultant's fee at the rate of $10,000 per month. The Corporation also paid premiums on Mr. Levenson's Group Universal Life Insurance policy for 1996, in the amount of approximately $3,800, and retained Mr. Levenson as a participant in a program pursuant to which it paid for tax and estate planning services in the amount of approximately $5,700.

On February 20, 1997, the Corporation sold its interest in a subsidiary company, AirKaman of Jacksonville, Inc., to a Corporation controlled by C. William Kaman II for cash in the amount of approximately $3,615,000. C. William Kaman II is a director and Executive Vice President of the Corporation and is the son of Charles H. Kaman. The purchase price received by the Corporation was determined in accordance with an independent appraisal.

PART IV

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

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

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

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

(b) REPORTS ON FORM 8-K.
No reports on Form 8-K were filed during the last quarter of the year ended December 31, 1996, which year is covered by this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the Town of Bloomfield, State of Connecticut, on this 21st day of March, 1996.

KAMAN Corporation
(Registrant)

By Charles H. Kaman, 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:
Charles H. Kaman	Chairman, President, Chief Executive Officer and Director (Chief Executive Officer)	March 21, 1997
Robert M. Garneau	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 21, 1997
Robert M. Garneau		March 21, 1997

Attorney-in-Fact for:

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

KAMAN Corporation AND SUBSIDIARIES

Index to Financial Statement Schedules

REPORT OF INDEPENDENT AUDITORS

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

The Board of Directors and Shareholders
Kaman Corporation:

Under date of January 27, 1997, we reported on the consolidated balance sheets of Kaman Corporation and subsidiaries as of December 31, 1996 and 1995 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, 1996, as contained in the 1996 annual report to shareholders. These consolidated financial statements and our report thereon are included in the annual report on Form 10-K for 1996. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related 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, present fairly, in all material respects, the information set forth therein.

/s/ KPMG Peat Marwick LLP

Hartford, Connecticut
January 27, 1997

KAMAN Corporation AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
(Dollars in Thousands)

YEAR ENDED DECEMBER 31, 1994

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

YEAR ENDED DECEMBER 31, 1995

DESCRIPTION	BALANCE JANUARY 1, 1995	Additions: CHARGED TO COSTS AND EXPENSES	Additions: OTHERS	DEDUCTIONS	BALANCE DECEMBER 31, 1995
Allowance for doubtful accounts	$1,665	$2,476	$-----	$1,852(A)	$2,289
Accumulated amortization of goodwill	$3,544	$ 355	$-----	$-----	$3,899

YEAR ENDED DECEMBER 31, 1996

DESCRIPTION	BALANCE JANUARY 1, 1996	Additions: CHARGED TO COSTS AND EXPENSES	Additions: OTHERS	DEDUCTIONS	BALANCE DECEMBER 31, 1996
Allowance for doubtful accounts	$2,289	$1,288	$-----	$1,003(A)	$2,574
Accumulated amortization of goodwill	$3,899	$ 365	$-----	$ 397(C)	$3,867

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

KAMAN Corporation

INDEX TO EXHIBITS

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

Exhibit 4b	The Revolving Credit Agreement between the Corporation and The Bank of Nova Scotia and Fleet National Bank of Connecticut, as Co-Administrative Agents, dated as of January 29, 1996. (Previously filed as an Exhibit to the Corporation's Annual Report on Form 10-K for the year ended December 31, 1995 (Document No. 54381-96-2 filed with the Securities and Exchange Commission on March 22, 1996) and is incorporated in this report by reference.	by reference
Exhibit 4c	Deposit Agreement dated as of October 15, 1993 between the Corporation and Chemical Bank as Depositary and Holder of Depositary Shares has been filed as Exhibit (c)(1) to Schedule 13E-4 (Document No. 5-34114 filed with the Securities and Exchange Commission on September 15, 1993) and is incorporated in this report by reference.	by reference
Exhibit 4d	The Corporation is party to certain long-term debt obligations, such as real estate mortgages, copies of which it agrees to furnish to the Commission upon request.	by reference
Exhibit 10a	The 1983 Stock Incentive Plan (formerly known as the 1983 Stock Option Plan) has been filed as Exhibit 10b(iii) to the Corporation's Annual Report on Form 10-K for 1988 (Document No. 0-1093 filed with the Securities and Exchange Commission on March 22, 1989) and is incorporated in this report by reference.	by reference

Exhibit 10b	The Kaman Corporation 1993 Stock Incentive Plan as amended effective November 19, 1996.	Attached
Exhibit 10c	The Kaman Corporation Employees Stock Purchase Plan as amended effective November 19, 1996.	Attached
Exhibit 11	Statement regarding computation of per share earnings.	Attached
Exhibit 13	Portions of the Corporation's 1996 Annual Report to Shareholders as required by Item 8.	Attached
Exhibit 21	Subsidiaries.	Attached
Exhibit 23	Consent of Independent Auditors.	Attached
Exhibit 24	Power of attorney under which this report has been signed on behalf of certain directors.	Attached
Exhibit 27	Financial Data Schedule	Attached

KAMAN CORPORATION
1993 STOCK INCENTIVE PLAN

1. PURPOSE. This Plan includes a continuation and extension of the incentive stock program of the Corporation set forth in the First Predecessor Plan and the Second Predecessor Plan and is designed to give directors, officers and key employees of the Corporation and other persons an expanded opportunity to acquire stock in the Corporation or receive other long-term incentive remuneration in order that they may better participate in the Corporation's growth and be motivated to remain with the Corporation and promote its further development and success.

2. DEFINITIONS. The following terms shall have the meanings given below unless the context otherwise requires:

(a) "Act" means the Securities Exchange Act of 1934, as amended.

(b) "Award" or "Awards" except where referring to a particular category of grant under the Plan shall include Incentive Stock Options, Non-Statutory Stock Options, Stock Appreciation Rights and Restricted Stock Awards.

(c) "Board" means the Board of Directors of the Corporation.

(d) "Code" means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

(e) "Committee" means the committee of the Board established under Section 9 hereof.

(f) "Corporation" means the committee of the Board established as defined by the Code.

(g) "Disability" or "disabled" means disability or disabled as defined by the Code.

(h) "Eligible Person" means any person, including a person who is not an employee of the Corporation or a Subsidiary, or entity who satisfies all the eligibility requirements set forth in either Section 3(a) or 3(b) hereof, excluding, however, any member of the Committee and any alternate member of the Committee.

(i) "Fair Market Value" of the Stock on any given date shall be the closing price of the Stock in the NASDAQ National Market System on such date, or, if no sales of the Stock occurred on that day, the then most recent prior day on which sales were reported.

(j) "First Predecessor Plan" means the Kaman Corporation 1973 Stock Option Plan.

(k) "Incentive Stock Option" means a stock option qualifying under the provisions of Section 422A of the Code.

(l) "Non-Employee Director" shall have the meaning set forth in Rule 16b-3(b)(3)(i) promulgated under the Act, and any successor to such rule.

(m) "Non-Employee Director Participant" means an Eligible Person, who at the time of grant of an Award is a director of the Corporation but not an employee of the Corporation or a Subsidiary.

(n) "Non-Statutory Option" means a stock option not qualifying for incentive stock option treatment under the provisions of Section 422A of the Code.

(o) "Optionee" means the holder of any option granted under the Plan.

(p) "Participant" means the holder of any Award granted under the Plan.

(q) "Plan" means the Kaman Corporation 1993 Stock Incentive Plan.

(r) "Principal Shareholder" means any individual owning stock possessing more than ten percent (10%) of the total combined voting power of all classes of capital stock of the Corporation.

(s) "Restricted Stock" means Stock received pursuant to a Restricted Stock Award.

(t) "Restricted Stock Award" is defined in Section 8(a).

(u) "Second Predecessor Plan" means the Kaman Corporation 1983 Stock Incentive Plan.

(v) "Stock" or "shares" means shares of Class A Common Stock of the Corporation.

(w) "Stock Appreciation Right" or "Right" means a right described in Section 7.

(x) "Subsidiary" means any corporation in which the Corporation owns, directly or indirectly, a majority of the outstanding voting stock.

3. ELIGIBILITY.

(a) Incentive Stock Options. Incentive Stock Options may be granted to any Eligible Persons who are full-time, salaried employees of the Corporation or a Subsidiary and who in the sole opinion of the Committee are, from time to time, responsible for the management and/or growth of all or part of the business of the Corporation.

(b) Awards Other than Incentive Stock Options. Awards, other than Incentive Stock Options, may be granted to any Eligible Persons who in the sole opinion of the Committee are, from time to time, responsible for the growth and/or the management of all or a part of the business of the Corporation.

(c) Substitute Awards. The Committee, in its discretion, may also grant Awards in substitution for any stock incentive awards previously granted by companies acquired by the Corporation or one of its Subsidiaries. Such substitute awards may be granted on such terms and conditions as the Committee deems appropriate in the circumstances, provided, however, that substitute Incentive Stock Options shall be granted only in accordance with the Code.

4. TERM OF PLAN. The Plan shall take effect on November 1, 1993 and shall remain effective for ten (10) years thereafter, expiring on October 31, 2003.

5. STOCK SUBJECT TO THE PLAN. The aggregate number of shares of Stock which may be issued pursuant to all Awards granted under the Plan shall not exceed 960,000 shares of Stock, subject to adjustment as hereinafter provided in Section 10, which shall be in addition to all shares of Stock issued or reserved for issuance pursuant to options granted under the First Predecessor Plan and the Second Predecessor Plan, and which may be treasury shares or authorized but unissued shares. In the event that any Award under

the Plan for any reason expires, is terminated, forfeited, reacquired by the Corporation, or satisfied without the issuance of Stock (except in the cases of (i) the Stock otherwise issuable under an Award but retained by the Corporation for payment of withholding taxes under Section 14(b) hereof; and (ii) stock otherwise issuable under a stock option but for which the Corporation has made a discretionary payment under Section 7(d) hereof) the shares allocable to the unexercised portion of such Award may again be made subject to an Award under the Plan. Any award of a Stock Appreciation Right, to the extent that such Stock Appreciation Right may be settled only for cash, shall not be deemed to reduce the aggregate number of shares of Stock authorized to be issued pursuant to Awards granted under the Plan.

6. STOCK OPTIONS. The following terms and conditions shall apply to each option granted under the Plan and shall be set forth in a stock option agreement between the Corporation and the Optionee together with such other term and conditions not inconsistent herewith as the Committee may deem appropriate in the case of each Optionee:

(a) Option Price. The purchase price under each Incentive Stock Option shall be as determined by the Committee but not less than 100% of the Fair Market Value of the shares subject to such option on the date of grant, provided that such option price shall not be less than 110% of such Fair Market Value in the case of any Incentive Stock Option granted to a Principal Shareholder. The purchase price per share of Stock deliverable upon the exercise of a Non-Statutory Option shall be determined by the Committee, but shall not be less than 85% of the Fair Market Value of such Stock on the date of grant and in no event less than the par value per share of such Stock.

(b) Type of Option. All options granted under the Plan shall be either Incentive Stock Options or Non-Statutory Options. All provisions of the Plan applicable to Incentive Stock Options shall be interpreted in a manner consistent with the provisions of, and regulations under, Section 422A of the Internal Revenue Code.

(c) Period of Incentive Stock Option. Each Incentive Stock Option shall have a term not in excess of ten (10) years from the date on which it is granted, except in the case of any Incentive Stock Option granted to a Principal Shareholder which shall have a term not in excess of five (5) years from the date on which it is granted; provided that any Incentive Stock Option granted or the unexercised portion thereof, to the extent

exercisable at the time of termination of employment, shall terminate at the close of business on the day three (3) months following the date on which the Optionee ceases to be employed by the Corporation or a Subsidiary unless sooner expired or unless a longer period is provided under Subsection (g) of this Section in the event of the death or disability of such an Optionee.

(d) Period of Non-Statutory Option. Each Non-Statutory Option granted under the Plan shall have a term not in excess of ten (10) years and one (1) day from the date on which it is granted; provided that any Non-Statutory Option granted to an employee of the Corporation or a Subsidiary or to a Non-Employee Director Participant, or the unexercised portion thereof shall terminate not later than the close of business on the day three (3) months following the date on which such employee ceases to be employed by the Corporation or a Subsidiary or the date on which such Non-Employee Director ceases to be a director of the Corporation, as the case may be, unless a longer period is provided under Subsection (g) of this Section in the event of the death or disability of such an Optionee. Such an Optionee's Non-Statutory Option shall be exercisable, if at all, during such three (3) month period only to the extent exercisable on the date such Optionee's employment terminates or the date on which such Optionee ceases to be a director, as the case may be.

(e) Exercise of Option.

(i) Each option granted under the Plan shall become exercisable on such date or dates and in such amount or amounts as the Committee shall determine. In the absence of any other provision by the Committee, each option granted under the Plan shall be exercisable with respect to not more than twenty percent (20%) of such shares subject thereto after the expiration of one (1) year following the date of its grant, and shall be exercisable as to an additional twenty percent (20%) of such shares after the expiration of each of the succeeding four (4) years, on a cumulative basis, so that such option, or any unexercised portion thereof, shall be fully exercisable after a period of five (5) years following the date of its grant; provided, however, that in the absence of any other provision by the Committee, each Incentive Stock Option granted to a Principal Shareholder shall be exercisable with respect to not more than twenty-five percent (25%) of the shares subject thereto after the expiration of one (1) year following the date of its grant, and shall be exercisable as to an additional twenty-five percent (25%) after the expiration of each of the succeeding three (3) years, on a cumulative basis, so that such option, or any unexercised portion thereof, shall be fully exercisable after a period of four (4) years following the date of its grant.

(ii) The Committee, in its sole discretion, may, from time to time and at any time, accelerate the vesting provisions of any outstanding option, subject, in the case of Incentive Stock Options, to the provisions of Subsection (6)(i) relating to "Limit on Incentive Options".

(iii) Notwithstanding anything herein to the contrary, except as provided in subsection (g) of this Section, no Optionee who was, at the time of the grant of an option, an employee of the Corporation or a Subsidiary, may exercise such option or any part thereof unless at the time of such exercise he shall be employed by the Corporation or a Subsidiary and shall have been so employed continuously since the date of grant of such option, excepting leaves of absence approved by the Committee; provided that the option agreement may provide that such an Optionee may exercise his option, to the extent exercisable on the date of termination of such continuous employment, during the three (3) month period, ending at the close of business on the day three (3) months following the termination of such continuous employment unless such option shall have already expired by its term.

(iv) An option shall be exercised in accordance with the related stock option agreement by serving written notice of exercise on the Corporation accompanied by full payment of the purchase price in cash. As determined by the Committee, in its discretion, at (or, in the case of Non-Statutory Options, at or after) the time of grant, payment in full or in part may also be made by delivery of (i) irrevocable instructions to a broker to deliver promptly to the Corporation the amount of sale or loan proceeds to pay the exercise price, or (ii) previously owned shares of Stock not then subject to restrictions under any Corporation plan (but which may include shares the disposition of which constitutes a disqualifying disposition for purposes of obtaining incentive stock option treatment for federal tax purposes), or (iii) shares of Stock otherwise receivable upon the exercise of such option; provided, however, that in the event the Committee shall determine in any given instance that the exercise of such option by withholding shares otherwise receivable would be unlawful, unduly burdensome or otherwise inappropriate, the Committee may require that such exercise be accomplished in another acceptable manner. For purposes of subsections (ii) and (iii) above, such surrendered shares shall be valued at Fair Market Value on the date of exercise.

(f) Nontransferability. No option granted under the Plan shall be transferable by the Optionee otherwise than by will or by the laws of descent and distribution, and such option shall be exercisable, during his lifetime, only by him.

(g) Death or Disability of Optionee. In the event of the death or disability of an Optionee while in the employ of the Corporation or a Subsidiary or while serving as a director of the Corporation, his stock option or the unexercised portion thereof may be exercised within the period of one (1) year succeeding his death or disability, but in no event later than (i) ten (10) years (five (5) years in the case of a Principal Shareholder) from the date the option was granted in the case of an Incentive Stock Option, and (ii) ten (10) years and one (1) day in the case of a Non-Statutory Option, by the person or persons designated in the Optionee's will for that purpose or in the absence of any such designation, by the legal representative of his estate, or by the legal representative of the Optionee, as the case may be. Notwithstanding anything herein to the contrary and in the absence of any contrary provision by the Committee, during the one-year period following termination of employment or cessation as a director by reason of death or disability, an Optionee's stock option shall continue to vest in accordance with its terms and be and become exercisable as if employment or service as a director had not ceased.

(h) Shareholder Rights. No Optionee shall be entitled to any rights as a shareholder with respect to any shares subject to his option prior to the date of issuance to him of a stock certificate representing such shares.

(i) Limit on Incentive Stock Options. The aggregate Fair Market Value (determined at the time an option is granted) of shares with respect to which Incentive Stock Options granted to an employee are exercisable for the first time by such employee during any calendar year (under all incentive stock option plans of the Corporation and its Subsidiaries to the extent required under the Code) shall not exceed $100,000.

(j) Notification of Disqualifying Disposition. Participants granted Incentive Stock Options shall undertake, in the Incentive Stock Option agreements, as a precondition to the granting of such option by the Corporation, to promptly notify the Corporation in the event of a disqualifying disposition (within the meaning of the Code) of any shares acquired pursuant to such Incentive Stock Option agreement and provide the Corporation with all relevant information related thereto.

7. STOCK APPRECIATION RIGHTS; DISCRETIONARY PAYMENTS.

(a) Nature of Stock Appreciation Right. A Stock Appreciation Right is an Award entitling the Participant to receive an amount in cash or shares of Stock (or forms of payment permitted under Section 7(d) hereof) or a combination thereof, as determined by the Committee at the time of grant, having a value equal to (or if the Committee shall so determine at time of grant, less than) the excess of the Fair Market Value of a share of Stock on the date of exercise over the Fair Market Value of a share of Stock on the date of grant (or over the option exercise price, if the Stock Appreciation Right was granted in tandem with a stock option) multiplied by the number of shares with respect to which the Stock Appreciation Right shall have been exercised.

(b) Grant and Exercise of Stock Appreciation Rights.

(i) Stock Appreciation Rights may be granted in tandem with, or independently of, any stock option granted under the Plan. In the case of a Stock Appreciation Right granted in tandem with a Non-Statutory Option, such Right may be granted either at or after the time of grant of such option. In the case of a Stock Appreciation Right granted in tandem with an Incentive Stock Option such Right may be granted only at the time of the grant of such option. A Stock Appreciation Right or applicable portion thereof granted in tandem with a given stock option shall terminate and no longer be exercisable upon the termination or exercise of the related stock option, except that a Stock Appreciation Right granted with respect to less than the full number of shares covered by a related stock option shall not be reduced until the exercise or termination of the related stock option exceeds the number of shares not covered by the Stock Appreciation Right.

(ii) Each Stock Appreciation Right granted under the Plan shall become exercisable on such date or dates and in such amount or amounts as the Committee shall determine; provided, however, that any Stock Appreciation Right granted in tandem with a stock option shall be exercisable in relative proportion to and to the extent that such related stock option is exercisable; provided further, however, that, notwithstanding anything herein to the contrary, any Stock Appreciation Right granted in tandem with a Non-Statutory Option which has a purchase price at the date of grant of less than Fair Market Value shall not be exercisable at all until at least one (1) year after the date of grant of such option.

Except as provided in the immediately preceding sentence, in the absence of any other provision by the Committee, each Stock Appreciation Right granted under the Plan shall be exercisable with respect to not more than twenty percent (20%) of such shares subject thereto after the expiration of one (1) year following the date of its grant, and shall be exercisable as to an additional twenty percent (20%) of such shares after the expiration of each of the succeeding four (4) years, on a cumulative basis, so that such Right, or any unexercised portion thereof, shall be fully exercisable after a period of five (5) years following the date of its grant. The Committee, in its sole discretion, may, from time to time and at any time, accelerate the vesting provisions of any outstanding Stock Appreciation Right.

(iii) Notwithstanding anything herein to the contrary, except as provided in subsections (c)(v) and (c)(vi) of this Section, no Participant who was, at the time of the grant of a Stock Appreciation Right, an employee of the Corporation or a Subsidiary, may exercise such Right or any part thereof unless at the time of such exercise, he shall be employed by the Corporation or a Subsidiary and shall have been so employed continuously since the date of grant of such Right, excepting leaves of absence approved by the Committee; provided that the Stock Appreciation Right agreement may provide that such a Participant may exercise his Stock Appreciation Right, to the extent exercisable on the date of termination of such continuous employment unless such Right shall have already expired by its terms.

(iv) Notwithstanding anything herein to the contrary, except as provided in subsections (c)(v) and (c)(vi) of this Section, no Non-Employee Director Participant may exercise a Stock Appreciation Right or part thereof unless at the time of such exercise he shall be a director of the Corporation and shall have been a director of the Corporation continuously since the date of grant of such Right excepting leaves of absence approved by the Committee; provided that the Stock Appreciation Right agreement may provide that such Participant may exercise his Stock Appreciation Right, to the extent exercisable on the date he ceased to be a director of the Corporation, during the three (3) month period ending at the close of business on the day three (3) months following the cessation of such continuous service as a director unless such Right shall already have expired by its terms.

(v) A Stock Appreciation Right shall be exercised in accordance with the related Stock Appreciation Right Agreement by serving written notice of exercise on the Corporation.

(c) Terms and Conditions of Stock Appreciation Rights. Stock Appreciation Rights shall be subject to such terms and conditions as shall be determined from time to time by the Committee, subject to the following:

(i) Stock Appreciation Rights granted in tandem with stock options shall be exercisable only at such time or times and to the extent that the related stock options shall be exercisable;

(ii) Upon the exercise of a Stock Appreciation Right, the applicable portion of any related stock option shall be surrendered.

(iii) Stock Appreciation Rights granted in tandem with a stock option shall be transferable only with such option. Stock Appreciation Rights shall not be transferable otherwise than by will or the laws of descent and distribution. All Stock Appreciation Rights shall be exercisable during the Participant's lifetime only by the Participant or the Participant's legal representative.

(iv) A Stock Appreciation Right granted in tandem with a stock option may be exercised only when the then Fair Market Value of the Stock subject to the stock option exceeds the exercise price of such option. A Stock Appreciation Right not granted in tandem with a stock option may be exercised only when the then Fair Market Value of the Stock exceeds the Fair Market Value of the Stock on the date of grant of such Right.

(v) Each Stock Appreciation Right shall have a term not in excess of ten (10) years from the date on which it is granted (ten (10) years and one (1) day in the case of a Stock Appreciation Right granted in tandem with a Non-Statutory Option); provided that any Stock Appreciation Right granted to (aa) an employee of the Corporation or a Subsidiary shall terminate not later than the close of business on the day three (3) months following the date such Participant ceases to be employed by the Corporation or a Subsidiary, excepting leaves of absences approved by the Committee, and (bb) a Non-Employee Director Participant shall terminate not later than the close of business on the day three (3) months following the date such Participant ceases to be a director of the Corporation, unless a longer period is provided under subsection (c)(vi) below in the event of death or disability of a Participant. Such a Participant's Stock Appreciation Right shall be exercisable, if at all, during such three (3) month period only to the extent exercisable on the date his employment terminates or the date he ceases to be a director, as the case may be.

(vi) In the event of the death or disability of a Participant while in the employ of the Corporation or a Subsidiary or while serving as a director of the Corporation, his Stock Appreciation Right or the unexercised portion thereof may be exercised within the period of one (1) year succeeding his death or disability, but in no event later than (i) ten (10) years from the date on which it was granted (ten (10) years and one (1) day in the case of a Non-Statutory Option), by the person or persons designated in the Participant's will for that purpose or in the absence of any such designation, by the legal representative of his estate, or by the legal representative of the Participant, as the case may be. Notwithstanding anything herein to the contrary and in the absence of any contrary provision by the Committee, during the one-year period following termination of employment or cessation as a director by reason of death or disability, a Participant's Stock Appreciation Right shall continue to vest in accordance with its terms and be and become exercisable as if employment or service as a director had not ceased.

(d) Discretionary Payments. Upon the written request of an Optionee whose stock option is not accompanied by a Stock Appreciation Right, the Committee may, in its discretion, cancel such option if the Fair Market Value of the shares subject to the option at the exercise date exceeds the exercise price thereof; in that event, the Corporation shall pay to the Optionee an amount equal to the difference between the Fair Market Value of the shares subject to the cancelled option (determined as of the date the option is cancelled) and the exercise price. Such payment shall be by check or in Stock having a Fair Market Value (determined on the date the payment is to be made) equal to the amount of such payments or any combination thereof, as determined by the Committee.

8. RESTRICTED STOCK.

(a) Nature of Restricted Stock Award. A Restricted Stock Award is an Award entitling the Participant to receive shares of Stock, subject to such conditions, including a Corporation right during a specified period or periods to require forfeiture of such shares upon the Participant's termination of employment with the Corporation or a Subsidiary or cessation as a director of the Corporation, as the case may be, as the Committee may determine at the time of grant. The Committee, in its sole discretion, may, from time to time and at any time, waive any or all restrictions and/or conditions contained in the Restricted Stock Award agreement. Notwithstanding anything herein to the contrary, the Committee, in its discretion, may grant Restricted Stock without any restrictions or conditions whatsoever. Restricted Stock shall be granted in respect of past services or other valid consideration.

(b) Award Agreement. A Participant who is granted a Restricted Stock Award shall have no rights with respect to such Award unless the Participant shall have accepted the Award within 60 days (or such shorter date as the Committee may specify) following the Award date by executing and delivering to the Corporation a Restricted Stock Award Agreement in such form as the Committee shall determine.

(c) Rights as a Shareholder. Upon complying with paragraph (b) above, a Participant shall have all the rights of a shareholder with respect to the Restricted Stock including voting and dividend rights, subject to nontransferability and Corporation forfeiture rights described in this Section 8 and subject to any other conditions contained in the Award agreement. Unless the Committee shall otherwise determine, certificates evidencing shares of Restricted Stock shall remain in the possession of the Corporation until such shares are free of any restrictions under the Plan. The Committee in its discretion may, as a precondition of the Corporation's obligation to issue a Restricted Stock Award, require the Participant to execute a stock power or powers or other agreement or instruments necessary or advisable in connection with the Corporation's forfeiture rights with respect to such shares.

(d) Restrictions. Shares of Restricted Stock may not be sold, assigned, transferred or otherwise disposed of or pledged or otherwise encumbered. In the event of termination of employment of the Participant with the Corporation or a Subsidiary for any reason, or cessation as a director of the Corporation in the case of a Non-Employee Director Participant, such shares shall be forfeited to the Corporation, except as set forth below:

(i) The Committee at the time of grant shall specify the date or dates (which may depend upon or be related to the attainment of performance goals and other conditions) on which the nontransferability of the Restricted Stock and the Corporation's forfeiture rights with respect thereto shall lapse. The Committee at any time may accelerate such date or dates and otherwise waive or, subject to Section 13, amend any conditions of the Award.

(ii) Except as may otherwise be provided in the Award agreement, in the event of termination of a Participant with the Corporation or a Subsidiary for any reason or cessation as a director of the Corporation for any reason, all of the Participant's Restricted Stock shall be forfeited to the Corporation without the necessity of any further act by the Corporation, the Participant or the Participant's legal representative; provided, however, that in the event of

termination of employment or cessation of service as a director of the Corporation by reason of death or disability, all conditions and restrictions relating to a Restricted Stock Award held by such a Participant shall thereupon be waived and shall lapse.

(iii) In the absence of any other provision by the Committee, each Restricted Stock Award granted to (A) an employee of the Corporation or a Subsidiary shall be subject to forfeiture to the Corporation conditioned on the Participant's continued employment and (B) Non-Employee Director Participants shall be subject to forfeiture to the Corporation conditioned on the Participant's continued service as a director of the Corporation, and in the case of clause (A) or (B), such forfeiture rights shall lapse as follows: with respect to twenty percent (20%) of the shares subject to the Restricted Stock Award on the date one year following the date of grant, and with respect to an additional twenty percent (20%) of such shares after the expiration of each of the succeeding four (4) years thereafter, on a cumulative basis, so that such Restricted Stock shall be free of such risk of forfeiture on the date five (5) years following the date of its grant.

(e) Waiver, Deferral, and Investment of Dividends. The Restricted Stock Award agreement may require or permit the immediate payment, waiver, deferral or investment of dividends paid with respect to the Restricted Stock.

9. THE COMMITTEE.

(a) Administration. The Committee shall be a committee of not less than three (3) members of the Board who are Non-Employee Directors, appointed by the Board. Vacancies occurring in membership of the Committee shall be filled by the Board. The Committee shall keep minutes of its meetings. One or more members of the Committee may participate in a meeting of the Committee by means of conference telephone or similar communications equipment provided all persons participating in the meeting can hear one another. A majority of the entire Committee shall constitute a quorum, and the acts of a majority of the members present at or so participating in any meeting at which a quorum is constituted shall be the acts of the Committee. The Committee may act without meeting by unanimous written consent. Absent some other provision by the Board, the power and responsibilities of the Committee shall be vested in and assumed by the Personnel and Compensation Committee of the Board.

(b) Authority of Committee. Subject to the provisions of the Plan, the Committee shall have full and final authority to determine the persons to whom Awards shall be granted, the number of shares to be subject to each Award, the term of the Award, the vesting provisions of the Award, if any, restrictions on the Award, if any, and the price at which the shares subject thereto may be purchased. The Committee is empowered, in its discretion, to modify, extend or renew any Award theretofore granted and adopt such rules and regulations and take such other action as it shall deem necessary or proper for the administration of the Plan. The Committee shall have full power and authority to construe, interpret and administer the Plan, and the decisions of the Committee shall be final and binding upon all interested parties.

10. ADJUSTMENTS. Any limitations, restrictions or other provisions of this Plan to the contrary notwithstanding, each Award agreement shall make such provision, if any, as the Committee may deem appropriate for the adjustment of the terms and provisions thereof (including, without limitation, terms and provisions relating to the exercise price and the number and class of shares subject to the Award) in the event of any merger, consolidation, reorganization, recapitalization, stock dividend, divisive reorganization, issuance of rights, combination or split-up or exchange of shares, or the like. In the event of any merger, consolidation, reorganization, recapitalization, stock dividend, divisive reorganization, issuance of rights, combination or split-up or exchange of shares, or the like, the Committee shall make an appropriate adjustment in the number of shares authorized to be issued pursuant to the Plan.

11. OPTIONS UNDER FIRST PREDECESSOR PLAN AND SECOND PREDECESSOR PLAN. Options presently outstanding which have been granted under either the First Predecessor Plan or the Second Predecessor Plan shall continue to be governed and interpreted under the terms of such plans, respectively, and not by the terms hereof.

12. AMENDMENT TO AND TERMINATION OF THE PLAN. The Board may from time to time amend the Plan in such way as it shall deem advisable provided the Board may not extend the expiration date of the Plan, change the class of Eligible Persons, increase the maximum Award term, decrease the minimum exercise price or increase the total number of authorized shares (except in accordance with Section 10 hereof) for which Awards may be granted. The Board, in its discretion, may at any time terminate the Plan prior to its expiration in accordance with Section 4 hereof. No amendment to or termination of the Plan shall in any way adversely affect Awards then outstanding hereunder.

13. STATUS OF PLAN. Until shares pursuant to an Award or exercise thereof are actually delivered to a Participant, a Participant shall have no rights to or with respect to such shares greater than those of a general creditor of the Corporation unless the Committee shall otherwise expressly determine in connection with any Award or Awards.

14. GENERAL PROVISIONS.

(a) Other Compensation Arrangements; No Right to Receive Awards; No Employment or Other Rights. Nothing contained in this Plan shall prevent the Board from adopting other or additional capital stock based compensation arrangements, subject to stockholder approval if such approval is required, and such arrangements may be either generally applicable or applicable only in specific cases. No Eligible Person shall have any right to receive Awards except as the Committee may determine. The Plan does not confer upon any employee any right to continued employment with the Corporation or a Subsidiary or upon any director or officer of the Corporation any right to continued service as a director or officer of the Corporation, nor does it interfere in any way with the right of the Corporation or a Subsidiary to terminate the employment of any of its employees or for the Corporation to remove a director or officer with or without cause at any time.

(b) Tax Withholding, Etc. Any obligation of the Corporation to issue shares pursuant to the grant or exercise of any Award shall be conditioned on the Participant having paid or made provision for payment of all applicable tax withholding obligations, if any, satisfactory to the Committee. The Corporation and its Subsidiaries shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Participant. In the case of Non-Statutory Options, and Stock Appreciation Rights exercisable only for Stock, the Committee in its discretion, but only upon the written request of a Participant exercising such an Award, may permit such Participant to satisfy federal income tax withholding requirements occasioned by the exercise thereof by the surrender of shares otherwise to be received on the exercise of such Award. Such shares shall be valued at the Fair Market Value thereof on the date of exercise.

(c) Section 83(b) of the Code. Participants may not make, and each Award agreement shall prohibit, an election under Section 83(b) of the Code, with respect to any Award.

(d) Restrictions on Transfers of Shares. Although the Corporation presently intends to register under applicable securities laws all shares acquired or received by Participants under the Plan, the Corporation is not required to cause such shares to be registered under the Securities Act of 1933 or the securities laws of any State. Accordingly, the shares acquired or received may be "restricted securities" as defined in Rule 144 under said Securities Act of 1933 or other rule or regulation of the Securities and Exchange Commission. Any certificate evidencing any such shares may bear a legend restricting the transfer of such shares, and the recipient may be required to assert that the shares are being acquired for his own account and not with a view to the distribution thereof as a condition to the granting or exercise of an Award.

(e) Issuance of Shares. Any obligation of the Corporation to issue shares pursuant to the grant or exercise of any Award shall be conditioned on the Corporation's ability at nominal expense to issue such shares in compliance with all applicable statutes, rules or regulations of any governmental authority. The Participant shall provide the Corporation with any assurances or agreements which the Committee, in its sole discretion, shall deem necessary or advisable in order that the issuance of such shares shall comply with any such statutes, rules or regulations.

(f) Date of Grant. The date on which each Award under the Plan shall be considered as having been granted shall be the date on which the award is authorized by the Committee, unless a later date is specified by the Committee; provided, however, in the case of options intended to qualify as Incentive Stock Options, the date of grant shall be determined in accordance with the Code.

KAMAN CORPORATION

EMPLOYEES STOCK PURCHASE PLAN

As Amended effective November 19, 1996

1. PURPOSE; AUTHORIZED SHARES. The Kaman Corporation Employees Stock Purchase Plan (the "Plan") was adopted by the Board of Directors (the "Board") of Kaman Corporation (the "Corporation") on February 28, 1989 for the purpose of providing employees of the Corporation and its subsidiaries an opportunity to purchase Kaman Corporation Class A common stock through payroll deductions during consecutive offerings commencing July 1, 1989. One Million Five Hundred Thousand (1,500,000) shares of the Corporation's Class A common stock in the aggregate have been approved for purposes of the Plan by the Board.

2. OFFERING PERIODS. Each offering shall be made over a period of one or more whole or partial Plan Years as determined by the Committee (as defined in paragraph 3), provided that in no event shall an offering period be greater than five (5) Plan Years.

3. ADMINISTRATION. The Plan will be administered by a committee (the "Committee") appointed by the Board, consisting of at least three of its members. Members of the Committee shall not be eligible to participate in the Plan. The Committee will have authority to make rules and regulations for the administration of the Plan, and its interpretations and decisions with respect to the Plan shall be final and conclusive. Absent some other provision by the Board, the power and responsibilities of the Committee shall be vested in and assumed by the Personnel and Compensation Committee of the Board.

4. ELIGIBILITY. All full-time regular employees of the Corporation and its subsidiaries, with at least three (3) months of service as of the effective date of each offering hereunder, will be eligible to participate in the Plan, subject to such rules as may be prescribed from time to time by the Committee. Such rules, however, shall neither permit nor deny participation in the Plan contrary to the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), including, but not limited to, Section 423 thereof, and regulations promulgated thereunder. To the extent

consistent with Code Section 423, and regulations promulgated thereunder, the Committee may permit persons who are not full-time regular employees of the Corporation or one of its subsidiaries at the commencement of an offering period, or who have not satisfied the aforementioned three (3) month service requirement at the commencement of an offering period, to participate in such offering beginning on the date or at a specified date after such person has been a full-time, regular employee of the Corporation or one of its subsidiaries for at least three (3) months. No employee may be granted a right under the Plan if such employee, immediately after the right is granted, would own five percent (5%) or more of the total combined voting power or value of the stock of the Corporation or any subsidiary. For purposes of the preceding sentence, the rules of Section 425(d) of the Code shall apply in determining stock ownership of an employee, and stock which the employee may purchase under outstanding rights shall be treated as stock owned by the employee.

5. PARTICIPATION. An eligible employee may begin participation in an offering at any time by completing and forwarding a payroll deduction authorization form to the employee's appropriate payroll location. The form will authorize a regular payroll deduction from the employee's compensation, and must specify the date on which such deduction is to commence. The authorization may not be retroactive.

6. DEDUCTIONS. Payroll deduction accounts will be maintained for all participating employees. An employee may authorize a payroll deduction in terms of dollars and cents per payroll period of not less than $1.00 or more than ten (10%) percent of the compensation of the employee during any such payroll period.

7. DEDUCTION CHANGES. An employee may at any time increase or decrease the employee's payroll deduction by filing a new payroll deduction authorization form. The change may not become effective sooner than the next pay period after receipt of the form. A payroll deduction may be increased only twice and may be reduced only twice during any Plan Year of an offering period, unless any such additional change is required to permit the purchase of the whole number of shares for which rights have been granted to the employee under the provisions of paragraph 10.

8. INTEREST. Since the amount of time that the Corporation will be holding funds withheld from employees' compensation is minimal, no interest will be credited to employees' accounts.

9. WITHDRAWAL OF FUNDS. An employee may at any time and for any reason permanently withdraw the balance of funds accumulated in the employee's payroll deduction account, and thereby withdraw from participation in an offering. Upon any such withdrawal, the employee shall be entitled to receive in cash the value of any fractional share (rounded to four decimal places) allocated to such employee's account determined on the basis of the market value thereof as of the date of withdrawal. The employee may thereafter begin participation again only once during each Plan Year of an offering period. Partial withdrawals will not be permitted.

10. PURCHASE OF SHARES. Subject to the payroll deduction limitation set forth in paragraph 6 and the limitation below, each employee participating in an offering under this Plan will be granted a right to purchase shares of the Corporation's Class A common stock which have an aggregate purchase price (determined under paragraph 11) equal to the sum of (a) up to ten percent (10%) of his or her compensation during each pay period of each offering period in which he or she participates and (b) any cash dividends reinvested in accordance with paragraph 12. In no event may an employee be granted a right which permits such employee's rights to purchase stock under this Plan, and any other stock purchase plan of the Corporation and its subsidiaries, to accrue at a rate which exceeds $25,000 of fair market value of stock (determined at the date of grant of the right) for each calendar year in which the right is outstanding at any time. No right may be exercised in any manner other than by payroll deduction as specified in paragraph 6 or dividend reinvestment as specified in paragraph 12.

11. PURCHASE PRICE AND PAYMENT. The purchase price to participating employees for each share of Class A common stock purchased under the Plan will be 85% of its market value at the time of purchase. Purchases of shares pursuant to the Plan shall be made on the fifteenth (15th) day of each month. The number of whole and fractional shares allocated to each employee's account as of each date of purchase shall be based upon the balance of funds in an employee's account available for the purchase of shares as of the close of the immediately preceding month. A participating employee's payroll deduction account shall be charged with the purchase price of each whole and fractional share allocated to the employee as of the date of purchase and the employee shall be deemed to have exercised a right to acquire such whole and fractional share as of such date. Additional shares covered by the participating employee's rights under the Plan will be purchased in the same manner, provided funds have again accrued in his account.

12. DIVIDENDS. Any cash dividends paid with respect to the shares held under the Plan shall be paid in cash to the participating employees for whom shares are so held on the basis of the number of whole and fractional shares so held or, if a participating employee so elects, such dividends shall be combined with payroll deductions, added to the funds held under the Plan, and applied to the purchase of additional shares of stock purchased pursuant to the Plan. A participating employee choosing to have dividends reinvested under this paragraph may terminate such election during an offering period by filing a written form at the appropriate payroll location, but may thereafter resume his election to reinvest such cash dividends only once during each Plan Year of an offering period. An election to either stop or resume dividend reinvestment will be effective with respect to the dividend payment next following receipt of the form; provided that if the form is filed within thirty (30) days before a dividend record date declared by the Board, then such election will not be effective with respect to that particular dividend declaration.

13. STOCK CERTIFICATES. Stock certificates will only be issued to participating employees promptly after their request or promptly after the participating employee's withdrawal from the Plan for any reason.

14. REGISTRATION OF CERTIFICATES. Certificates may be registered only in the name of the employee, or if the employee so indicates on the employee's payroll deduction authorization form, in the employee's name jointly with a member of the employee's family, with right of survivorship. An employee who is a resident of a jurisdiction which does not recognize such a joint tenancy may have certificates registered in the employee's name as tenant in common with a member of the employee's family, without right of survivorship.

15. DEFINITIONS. The following terms when used herein shall have the meanings set forth below:

(a) The phrase "market value" or "fair market value" means the closing price of the Corporation's Class A common stock in the Over-the-Counter NASDAQ National Market System, as reported in the Hartford, Connecticut local issue of The Wall Street Journal, on the business day immediately preceding the day of purchase or the effective date of the offering as the context requires.

(b) The term "subsidiary" means a subsidiary of the Corporation within the meaning of Section 425(f) of the Internal Revenue Code and the regulations thereunder, provided, however, that each consecutive offering under this Plan shall not be deemed to cover the employees of any subsidiary acquired or established after the effective date of such offering, unless so authorized by the Committee.

(c) a "Plan Year" means the calendar year.

16. RIGHTS AS A SHAREHOLDER. None of the rights or privileges of a shareholder of the Corporation shall exist with respect to (a) rights granted to a participating employee under the Plan or, (b) except as provided in paragraph 12, any fractional shares credited to the participating employee's account.

17. RIGHTS ON RETIREMENT, DEATH OR TERMINATION OF EMPLOYMENT. In the event of a participating employee's retirement, death or termination of employment, no payroll deduction shall be taken from any pay due and owing to an employee at such time, and the balance in the employee's account (including the value of any fractional shares calculated in the manner described in paragraph 9) shall be paid to the employee or, in the event of the employee's death, to the employee's estate; provided, however, that in the event shares credited to the account of a deceased employee would have been issued to the employee and a joint tenant with right of survivorship as permitted in paragraph 14 if issued immediately prior to such employee's death, then such shares shall be issued to such joint tenant, if living at the time such shares are issued.

18. OBLIGATION OF CORPORATION TO PURCHASE. In the event of personal or family circumstances of an emergency nature, for a period of one year after the exercise of a right to purchase a share or shares as described in paragraphs 10 and 11, a participating employee shall have the right to offer such shares back to the Corporation at the price at which such shares were purchased, and the Corporation shall have the obligation to make such repurchase.

19. RIGHTS NOT TRANSFERABLE. Rights under this Plan are not transferable by a participating employee and are exercisable during an employee's lifetime only by the employee.

20. APPLICATION OF FUNDS. All funds received or held by the Corporation under this Plan may be used for any corporate purpose.

21. ADJUSTMENT IN CASES OF CHANGES AFFECTING CLASS A STOCK. In the event of any merger, consolidation, reorganization, recapitalization, stock dividend, combination, issuance of rights, split-up or spin-off of the Corporation, or the like, the number of shares approved for this Plan shall be increased appropriately and such other adjustments to the terms of this Plan shall be made as may be deemed equitable by the Board. In the event of any other change affecting such stock, such adjustments shall be made as may be deemed equitable by the Board to give proper effect to such event.

22. AMENDMENT OF THE PLAN. The Board may at any time, or from time to time, amend this Plan in any respect, except that, without the approval of each class of stock of the Corporation then issued and outstanding and entitled to vote on the matter by applicable law, no amendment shall be made (i) increasing the number of shares approved for this Plan (other than as provided in paragraph 21); (ii) decreasing the purchase price per share; (iii) withdrawing the administration of this Plan from the Committee; or (iv) changing the designation of subsidiaries eligible to participate in the Plan, except adding a subsidiary as provided in paragraph 15(b).

23. TERMINATION OF PLAN. This Plan and all rights of employees under an offering hereunder shall terminate:

(a) on the date that participating employees' accumulated payroll deductions pursuant to paragraph 6 and amounts reinvested pursuant to paragraph 12 are sufficient to purchase a number of shares equal to or greater than the number of shares remaining available for purchase. If the number of shares so purchasable is greater than the shares remaining available, the available shares shall be allocated by the Committee among such participating employees in such manner as it deems equitable, or

(b) at any time at the discretion of the Board.

Upon termination of the Plan all amounts in the accounts of participating employees not applied to the purchase of shares hereunder, together with the value of any fractional shares calculated in the manner described in paragraph 9, shall be promptly refunded.

24. GOVERNMENT REGULATIONS. The Corporation's obligation to sell and deliver shares of its Class A common stock under this Plan is subject to the approval of any governmental authority required in connection with the authorization, issuance or sale of such stock.

25. SHARES USED TO FUND PLAN. The Corporation may utilize unissued or treasury shares to fund the Plan. Purchases of outstanding shares may also be made pursuant to and on behalf of the Plan, upon such terms as the Corporation may approve, for delivery under the Plan.

26. QUALIFIED PLAN. This Plan is intended to qualify as an Employee Stock Purchase Plan as defined in Section 423 of the Code. The term "right" as used herein shall mean "option" as used in Section 423, and is used herein only to avoid confusion with "options" granted under the Kaman Corporation 1983 Stock Incentive Plan.

27. SUCCESSOR CORPORATION. The rights and obligations of the Corporation under this Plan shall inure to and be binding upon any successor to all or substantially all of the Corporation's assets and business.

28. BUSINESS DAYS. If any event provided for in this Plan is scheduled to take place on a day which is not a business day then such event shall take place on the immediately preceding business day.

EXHIBIT 11

KAMAN CORPORATION AND SUBSIDIARIES

EARNINGS PER COMMON SHARE COMPUTATION

(In Thousands Except Per Share Amounts)

	1996	1995	1994
Primary:			
Net earnings (loss) applicable to common stock	$ 19,861	$ 15,886	$(16,897)
Weighted average number of common shares outstanding	18,607	18,330	18,175
Weighted average shares issuable on exercise of dilutive stock options	129	182	*
Total	18,736	18,512	18,175
Net earnings (loss) per common share-primary	$ 1.06	$ .86	$ (.93)
Fully diluted:			
Net earnings(loss)applicable to common stock	$ 19,861	$ 15,886	$(16,897)
Elimination of interest expense on 6% subordinated convertible debentures (net after taxes)	1,145	1,195	*
Elimination of preferred stock dividend requirement	3,716	3,716	*
Net earnings(loss)(as adjusted)	$ 24,722	$ 20,797	$(16,897)
Weighted average number of shares outstanding including shares issuable on stock option exercises	18,736	18,512	18,175
Shares issuable on conversion of 6% subordinated convertible debentures	1,421	1,421	*
Shares issuable on conversion of Series 2 preferred stock	4,551	4,551	*
Additional shares using ending market price instead of average market on treasury method use of stock option proceeds	24	7	*
Total	24,732	24,491	18,175
Net earnings (loss) per common share-fully diluted	$ 1.00	$ .85	$ (.93)

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

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

RESULTS OF OPERATIONS

Revenues for 1996 were $953.7 million compared to $899.5 million in 1995 and $820.8 million in 1994. The increase for 1996 is equally attributable to the corporation's Distribution and Diversified Technologies segments. The increase for 1995 is primarily attributable to the Distribution segment.

Distribution segment revenues increased by 4% in 1996, and by 13% in 1995 and 1994. During 1996, Industrial Distribution revenues (about 75% of this segment's revenues in 1996) continued to benefit from domestic economic growth. Revenue increases have generally been stronger than the rate of increase in industrial production due in part to the company's efforts to expand partnering relationships with suppliers, address the needs of customers who want to consolidate their vendor base, and provide value added services in areas such as electrical and electronic systems, materials handling, and precision positioning systems. The company in 1996 opened new branches in the south and midwest regions of the United States to service new customers and develop additional business. These are geographical regions where the company has not traditionally had a strong presence. For its larger customers, the company has been given the opportunity to perform an "integrated supply" function, involving management of their parts inventories and associated personnel as well as selection of suppliers for the customer's facility. These initiatives, in combination with enhanced operating efficiencies attained during the past few years, have resulted in increased market share for the industrial distribution business. Music Distribution sales also increased during 1996, with the increases occurring largely in the U.S. market.

Diversified Technologies segment revenues were up 9% in 1996 and 4% in 1995, compared to a decrease of 9% in 1994. The results for 1996 are primarily due to sales of the K-MAX(R) helicopter, work on the SH-2G helicopter retrofit program for Egypt, and increased demand for the corporation's specialty self-lubricating bearings and scientific services.

During 1996, the corporation continued efforts to adapt the defense portion of this segment's business (72% in 1996) to market conditions. With respect to its SH-2 helicopter, management believes that there is potential for use of this aircraft by

foreign military services, especially those using smaller ships with landing platforms that are well-suited to this helicopter. In 1995, the corporation began work pursuant to a letter agreement between the Republic of Egypt and the U.S. Navy for the acquisition of ten (10) SH-2G helicopters. This work involves the retrofit of SH-2F helicopters already manufactured for the U.S. Navy into the SH-2G configuration. The contract between the corporation and the U.S. Navy for this program was finalized in December 1996 and is worth approximately $150 million. Deliveries are scheduled to begin in the fourth quarter of 1997 and be completed by the end of 1998. As it pursues other opportunities for foreign sales, the corporation has maintained an office in Australia to coordinate work on competitions in Australia, New Zealand, and Malaysia. During January 1997, the corporation was notified by the Australian government that it had been selected as the "preferred tenderer" in a competition to supply eleven (11) multi-mission helicopters to go aboard Royal Australian Navy ANZAC frigates. Contract negotiations should begin shortly and are expected to take several months to complete. The retrofit aircraft for Australia will incorporate a new cockpit and new weapons and sensors. Therefore, while the contract value is presently undetermined, management expects that it will be significantly larger in dollar value than the program for Egypt. It is also anticipated that revenues and earnings will phase in gradually, with deliveries expected to begin in 2001. As to New Zealand, the corporation is one of only two competitors involved in the final bid process for a program involving four (4) to six (6) retrofitted aircraft. The New Zealand government has delayed announcement of the contract award due to its general elections in 1996; the corporation now anticipates that an award announcement may be made during the first quarter of 1997. The corporation continues to pursue other opportunities for foreign sales as well, including Malaysia and other countries in Southeast Asia and the Middle East. Although the corporation is not manufacturing further aircraft for the U.S. Navy, sixteen aircraft are currently in the Naval Reserves and the corporation expects to continue to provide logistics and spare parts support for these aircraft.

As to its advanced technology defense programs, management believes that it is well-positioned to compete in a defense environment that is increasingly emphasizing advanced technology "smart weapons" programs in its strategic planning. The corporation has significant expertise in the field of high-technology programs, having

performed a multitude of government contracts over the years. These contracts have involved products and systems, as well as services such as computer software development, intelligence analysis, and research and development. The corporation continues to be successful in maintaining revenues from this type of business, however competition in this area is increasing. During 1996 the corporation was awarded a contract from the Air Force for software support services to Cheyenne Mountain Air Station, Colorado. This is the third consecutive award to the corporation to perform this work, dating back to 1987. The estimated value of the contract is $150 million, inclusive of options, for the next five years.

The corporation also performs aerospace subcontracting work for several airframe manufacturing programs. This business showed improvement during 1996 due to revitalization in the domestic aviation market evidenced by the roll out of the Boeing 777 and the government's announcement regarding longer term production of the McDonnell Douglas C-17.

The K-MAX helicopter program, an important initiative for this segment, completed its second full year in commercial operation during 1996. K-MAX is a medium to heavy lift 'aerial truck' with operating characteristics that distinguish it from other helicopters for use in logging, fire fighting, reforestation, utility power line work, and other applications. The aircraft is now certified in the United States, Canada, Germany, Switzerland and Japan. The special lease program for the first five (5) helicopters has been substantially completed; the corporation continues to lease certain of the aircraft, generally with initial customers. For the most part, the aircraft is now being sold in the United States and abroad. The production lot for 1996 consisted of six (6) aircraft and a similar number are scheduled for production in 1997. Management has taken a conservative approach to the introduction of this aircraft, in part to give its markets time to develop and also because the market has been affected by the existence of military surplus aircraft that have been (and may be in the future) released to the public at lower cost than new aircraft. In any case, management expects that sales and profitability will take some time to achieve.

One of the potential applications for the K-MAX is the task of vertical replenishment ("VERTREP"), a non-combat role in the military. In April 1996, the U.S. Navy Military Sealift Command ("MSC") awarded the corporation a contract to provide an extended demonstration of the K-MAX helicopter's VERTREP capability. That demonstration began in May, with two (2) K-MAX helicopters supporting MSC airborne cargo movement for a period of seven (7) months. The value of the contract was $5.7 million. The demonstration was conducted under a charter/lease arrangement whereby the corporation provided the aircraft, crew, and all maintenance and logistics support. This was the second MSC award that the corporation has received for this type of work; the first award was for a two-month VERTREP demonstration in the third quarter of 1995. In October 1996, MSC issued a request for proposal for a seven-month VERTREP project scheduled to begin in April 1997. The corporation bid for this third demonstration, however, in February 1997 MSC decided to evaluate the services of another provider. The corporation has been the only commercial organization to carry out these VERTREP demonstrations to date, so management does not consider it unusual that the government would choose to award the latest project to another provider in order to provide comparative performance data. Management believes that the federal government's continuing evaluation of the charter/lease concept represents another significant step forward in the process of defense acquisition reform.

The corporation had operating income of $51.4 million and net earnings of $23.6 million for 1996 compared to an operating income of $42.1 million and net earnings of $19.6 million in 1995. After giving effect to the preferred stock dividend requirement, earnings available to common shareholders for 1996 were $19.9 million compared to $15.9 million a year ago. The Diversified Technologies segment had operating profits of $39.8 million for 1996 compared to $33.5 million in the previous year. Operating profits of the segment for 1996 benefitted from reductions in research and development expenditures and a gain of approximately $4.0 million attributable to the sale of real estate, partially offset by costs associated with our electromagnetics business which is having some difficulty with a market-driven conversion from defense to commercial products. Also included in 1995 operating profits was a $1.8 million gain on the sale of real estate. Operating profits in the Distribution segment increased in 1996 to $22.6 million from $19.4 million in 1995. The Industrial Distribution business

continues to benefit from relatively healthy domestic markets, but these results were offset somewhat by a slowdown in foreign music markets and continued efforts to improve efficiency in our European amplifier manufacturing operations.

The corporation had operating income of $42.1 million and net earnings of $19.6 million for 1995 compared to an operating loss of $8.8 million and a net loss of $13.2 million for 1994. After giving effect to the preferred stock dividend requirement, earnings available to common shareholders for 1995 were $15.9 million compared to a loss of $16.9 million in 1994. Results for 1994 reflect a pre-tax charge of $44.0 million taken in the fourth quarter to write-down the corporation's investment in Raymond Engineering, a subsidiary of the Diversified Technologies group. The Diversified Technologies segment had operating profits of $33.5 million for 1995, which benefitted from a reduction in research and development expenditures and a $1.8 million gain on sale of real estate as described above, compared to an operating loss of $17.2 million for 1994. Operating profits in the Distribution segment declined slightly in 1995 to $19.4 million from $19.6 million in 1994. The reduction is attributable to higher than expected costs associated with Music Distribution's manufacturing and distribution in Europe and to softening Asian and European markets during the year.

The fourth quarter 1994 charge of $44.0 million related to a write-down of the corporation's investment in Raymond Engineering, a Diversified Technologies subsidiary, in anticipation of a reduction in the size of its operations and certain of its product lines, as well as its merger into Kaman Aerospace, another Kaman subsidiary. Approximately 70% of the charge represented the write-down of impaired assets, including goodwill, facilities and equipment, and inventories. The balance related to personnel reductions, contract close-out costs and related items that would not benefit the ongoing activities of the merged organization. Implementation of the downsizing of Raymond's business and completion of merging operations of the two companies was substantially completed in 1996.

The fully diluted earnings per share figures for 1996 and 1995 include the potential conversion of the 6% convertible subordinated debentures, potential conversion of the corporation's Series 2 preferred stock and the exercise of stock options, since they were dilutive. The fully diluted earnings per share figure for 1994 does not reflect these potential conversions and exercises since their effect was anti-dilutive.

Interest expense increased 13% in 1996 compared to 1995; for 1995, interest expense increased 88% compared to 1994. The increases are primarily attributable to substantially higher average borrowings in 1996 and 1995 due to increased capital requirements.

The corporation's consolidated effective income tax rate was 42.0% for 1996 and 40.1% in 1995. The corporation recorded an income tax benefit on its loss before income taxes at an overall rate of 7.1% for 1994, due primarily to a state income tax refund. The 1994 charge would probably have resulted in a higher income tax benefit, except for the fact that a substantial portion of the goodwill balance is non-deductible.

Effective January 1, 1996, the corporation adopted the disclosure requirements of Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation. The accounting provisions of the new Statement are not presented because the effect on 1996 and 1995 net earnings would have been immaterial.

LIQUIDITY AND CAPITAL RESOURCES

The corporation's cash flow from operations has generally been sufficient to finance a significant portion of its working capital and other capital requirements. During the past few years, the corporation's capital requirements have continued to increase, however, and this resulted in financing more of its requirements from bank borrowings.

During the past two years, operating activities have required additional cash due principally to growth in accounts receivable and inventories. Accounts receivable increased in 1995 primarily due to the SH-2G helicopter programs for the U.S. Navy, and increased in 1996 due to the SH-2G program for Egypt. Increases in inventory levels for 1996 are largely due to work-in-process for aerospace subcontracting work. Inventory increases for 1995 and 1994 are primarly attributable to the K-MAX helicopter program. K-MAX inventory growth has involved both the method of introduction of the aircraft to the market and the timing of aircraft production lots. Specifically, the first group of five (5) aircraft were leased under a special introductory lease program during 1994 and 1995, so these aircraft were added to inventory along with 1995 production aircraft. Spare parts production in order to fully support the program has also added to inventory levels. Inventories at December 31, 1996 and 1995 include K-MAX aircraft that are principally being used in various applications under shorter-term lease or charter/lease

arrangements. Distribution segment inventory growth has been in line with increased business.

Cash used in investing activities has traditionally been for the acquisition of equipment used for manufacturing and distribution. During 1994, capital expenditures increased due primarily to a real estate acquisition in the Diversified Technologies segment. Proceeds from the sale of property, plant and equipment increased in 1996 and 1995 due primarily to the sale of other Diversified Technologies segment real estate.

Cash provided by financing activities was primarily used to support the previously discussed increase in working capital requirements. For this purpose, the corporation maintains a revolving credit agreement involving twelve domestic and foreign banks. This facility was established in January 1996 and provides a maximum unsecured line of credit of $250 million. It replaced two previous revolving credit arrangements and involves many of the same lenders that participated in those arrangements. The agreement has a term of five years and contains various covenants, including debt to capitalization, consolidated net worth requirements, and limitations on other loan indebtedness that the corporation may incur.

Cash used by financing activities was primarily attributable to the payment of dividends.

Under its revolving credit agreement, the corporation has the ability to borrow funds on both a short-term and long-term basis. As of December 31, 1996, the corporation's aggregate bank borrowings were $110.8 million, most of which was borrowed under the revolving credit facility. Average bank borrowings were $125.0 million for 1996, compared to $96.3 million for 1995.

The corporation has a stock repurchase program under which it may repurchase slightly more than 700,000 Class A shares. As of December 31, 1996, a total of 189,000 Class A shares had been repurchased under the program. The primary purpose of the stock repurchase program is to meet the needs of the Employees Stock Purchase Plan and Stock Incentive Plan.

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

FORWARD-LOOKING STATEMENTS

This report contains forward-looking information relating to the corporation's business prospects, including future contract awards and negotiations, the SH-2G and K-MAX helicopter programs, 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 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 termination for the convenience of the government; 4) competitive conditions in markets served by the corporation; 5) the degree of acceptance of new products in the marketplace; 6) currency exchange rates, taxes, laws and regulations, inflation rates, general business conditions and other factors. Any forward-looking information should be considered with these factors in mind.

SELECTED QUARTERLY FINANCIAL DATA

(In thousands except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
NET SALES:					
1996	$239,508	$246,148	$227,680	$234,770	$948,106
1995	207,982	221,509	225,629	241,278	896,398
GROSS PROFIT:					
1996	$ 62,044	$ 60,432	$ 57,319	$ 59,806	$239,601
1995	55,816	56,279	56,433	61,109	229,637
NET EARNINGS:					
1996	$ 5,202	$ 5,412	$ 5,834	$ 7,129	$ 23,577
1995	5,550	4,663	4,571	4,818	19,602
PER COMMON SHARE--PRIMARY:					
1996	$ .23	$ .24	$ .26	$ .33	$ 1.06
1995	.25	.20	.20	.21	.86
PER COMMON SHARE--FULLY DILUTED:					
1996	$ .22	$ .23	$ .25	$ .30	$ 1.00
1995	.24	.20	.20	.21	.85

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 1996 AND 1995 KAMAN CORPORATION AND SUBSIDIARIES

(In thousands except share and per share amounts)	1996	1995
ASSETS		
CURRENT ASSETS:		
Cash	$ 5,445	$ 4,078
Accounts receivable	185,516	177,878
Inventories	213,468	192,734
Deferred income taxes	22,392	21,250
Other current assets	7,310	8,924
Total current assets	434,131	404,864
PROPERTY, PLANT AND EQUIPMENT, NET	76,393	83,054
GOODWILL, NET	7,639	8,131
OTHER ASSETS	3,573	4,020
	$521,736	$500,069

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 1996 AND 1995 KAMAN CORPORATION AND SUBSIDIARIES

LIABILITIES AND SHAREHOLDERS' EQUITY	1996	1995
CURRENT LIABILITIES:		
Notes payable	$ 60,837	$ 62,851
Current portion of long-term debt	2,165	647
Accounts payable -- trade	61,334	61,729
Accrued salaries and wages	10,733	10,386
Accrued vacations	7,079	6,361
Accrued restructuring and other costs	6,531	13,542
Other accruals and payables	46,959	50,757
Total current liabilities	195,638	206,273
DEFERRED CREDITS	14,028	13,127
LONG-TERM DEBT, EXCLUDING CURRENT PORTION	83,940	66,386
SHAREHOLDERS' EQUITY:		
Capital stock, $1 par value per share:		
Preferred stock, authorized 700,000 shares:		
Series 2 preferred stock, 6 1/2% cumulative convertible (stated at liquidation preference of $200 per share)authorized 500,000 shares, issued 285,837 shares in 1996 and 1995	57,167	57,167
Common stock:		
Class A, authorized 48,500,000 shares, nonvoting; $.10 per common share dividend preference; issued 18,075,247 shares in 1996 and 17,788,233 shares in 1995	18,075	17,788
Class B, authorized 1,500,000 shares, voting; issued 667,814 shares in 1996 and 1995	668	668
Additional paid-in capital	21,696	19,319
Retained earnings	132,058	120,399
Unamortized restricted stock awards	(818)	(609)
Equity adjustment from foreign currency translation	(612)	(280)
	228,234	214,452
Less 9,738 shares and 16,825 shares of Class A common stock in 1996 and 1995, respectively, held in treasury, at cost	(104)	(169)
Total shareholders' equity	228,130	214,283
	$521,736	$500,069

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

KAMAN CORPORATION AND SUBSIDIARIES

(In thousands except per share amounts)

	1996	1995	1994
REVENUES:			
Net sales	$948,106	$896,398	$819,182
Other	5,548	3,078	1,592
	953,654	899,476	820,774
COSTS AND EXPENSES:			
Cost of sales	708,505	666,761	611,762
Selling, general and administrative expense	193,747	190,604	173,853
Interest expense	10,023	8,834	4,694
Restructuring, impairment and other costs	--	--	44,000
Other expense	702	546	646
	912,977	866,745	834,955
EARNINGS (LOSS) BEFORE INCOME TAXES	40,677	32,731	(14,181)
INCOME TAXES (BENEFIT)	17,100	13,129	(1,000)
NET EARNINGS (LOSS)	$ 23,577	$ 19,602	$(13,181)
PREFERRED STOCK DIVIDEND REQUIREMENT	$ (3,716)	$ (3,716)	$ (3,716)
EARNINGS(LOSS)APPLICABLE TO COMMON STOCK	$ 19,861	$ 15,886	$(16,897)
PER SHARE:			
Net earnings(loss)per common share:			
Primary	$ 1.06	$ .86	$ (.93)
Fully diluted	1.00	.85	(.93)
Dividends declared:			
Series 2 preferred stock	13.00	13.00	13.00
Common stock	.44	.44	.44

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

KAMAN CORPORATION AND SUBSIDIARIES

(In thousands except per share amounts)

	1996	1995	1994
SERIES 2 PREFERRED STOCK	$ 57,167	$ 57,167	$ 57,167
CLASS A COMMON STOCK:			
Balance -- beginning of year	17,788	17,600	17,600
Shares issued	287	188	--
Balance -- end of year	18,075	17,788	17,600
CLASS B COMMON STOCK	668	668	668
ADDITIONAL PAID-IN CAPITAL:			
Balance -- beginning of year	19,319	17,853	18,459
Employee stock plans	1,871	1,427	(611)
Restricted stock awards	506	39	5
Balance -- end of year	21,696	19,319	17,853
RETAINED EARNINGS:			
Balance -- beginning of year	120,399	112,592	137,490
Net earnings (loss)	23,577	19,602	(13,181)
Dividends declared:			
Preferred stock	(3,716)	(3,716)	(3,716)
Common stock	(8,202)	(8,079)	(8,001)
Balance -- end of year	132,058	120,399	112,592
UNAMORTIZED RESTRICTED STOCK AWARDS:			
Balance -- beginning of year	(609)	(744)	(968)
Stock awards issued	(517)	(179)	(119)
Amortization of stock awards	308	314	343
Balance -- end of year	(818)	(609)	(744)
EQUITY ADJUSTMENT FROM FOREIGN CURRENCY TRANSLATION:			
Balance -- beginning of year	(280)	(444)	(158)
Translation adjustment	(332)	164	(286)
Balance -- end of year	(612)	(280)	(444)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994
KAMAN CORPORATION AND SUBSIDIARIES

	1996	1995	1994
TREASURY STOCK:			
Balance -- beginning of year	(169)	(938)	(1,945)
Shares acquired in 1996--501; 1995--38,685; 1994--193,399 ...	(5)	(430)	(1,847)
Shares reissued under various stock plans	70	1,199	2,854
Balance -- end of year	(104)	(169)	(938)
TOTAL SHAREHOLDERS' EQUITY	$228,130	$214,283	$203,754

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

KAMAN CORPORATION AND SUBSIDIARIES

(In thousands)	1996	1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net earnings (loss)	$ 23,577	$ 19,602	$(13,181)
Adjustments to reconcile net earnings (loss) to cash provided by (used in) operating activities:			
Depreciation and amortization	12,358	12,687	13,053
Net gain on sale of assets	(4,094)	(1,660)	--
Restructuring, impairment and other costs	--	--	44,000
Deferred income taxes	(1,298)	10,171	(7,062)
Other, net	1,785	1,130	1,999
Changes in current assets and liabilities:			
Accounts receivable	(7,638)	(31,981)	19,204
Inventories	(20,734)	(33,583)	(44,273)
Other current assets	1,614	(1,299)	(2,864)
Accounts payable -- trade	(395)	7,294	3,315
Accrued expenses and payables.......	(9,744)	(3,206)	892
Income taxes payable	--	(978)	(2,361)
Cash provided by (used in) operating activities.........	(4,569)	(21,823)	12,722
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of property, plant and equipment and other assets	6,883	4,210	195
Expenditures for property, plant and equipment	(7,966)	(11,503)	(21,581)
Other, net	(333)	(99)	(482)
Cash provided by (used in) investing activities.........	(1,416)	(7,392)	(21,868)

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994

KAMAN CORPORATION AND SUBSIDIARIES

(In thousands)	1996	1995	1994
CASH FLOWS FROM FINANCING ACTIVITIES:			
Changes in notes payable	(2,014)	10,192	21,498
Changes in current portion of long-term debt.........................	1,518	(12)	(45)
Additions to long-term debt	20,000	30,000	--
Reduction of long-term debt	(2,446)	(1,047)	(834)
Proceeds from exercise of employee stock plans...........................	2,217	2,674	2,128
Purchases of treasury stock	(5)	(430)	(1,847)
Dividends paid--Series 2 preferred stock	(3,716)	(3,716)	(3,716)
Dividends paid--common stock	(8,202)	(8,079)	(8,001)
Other, net	--	--	(171)
Cash provided by (used in) financing activities........	7,352	29,582	9,012
NET INCREASE (DECREASE) IN CASH	1,367	367	(134)
CASH AT BEGINNING OF YEAR	4,078	3,711	3,845
CASH AT END OF YEAR	$ 5,445	$ 4,078	$ 3,711

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1996, 1995 AND 1994
(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 financial statements in conformity with generally accepted accounting principles 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.

LONG-TERM CONTRACTS -- REVENUE RECOGNITION Sales and estimated profits under long-term contracts are principally recognized on the percentage-of-completion method of accounting using 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.

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

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

GOODWILL Amortization of goodwill is calculated on a straight-line method over its estimated useful life but not in excess of forty years. Such amortization amounted to $365 in 1996, $355 in 1995 and $1,318 in 1994.

At each balance sheet date, the corporation evaluates the carrying value of goodwill based upon its assessment of the forecasted future operations (including interest expense) and other factors for each subsidiary having a material goodwill balance. Based upon management's analysis, the corporation wrote-down goodwill relating to its investment in Raymond Engineering in the amount of $20,500 during the fourth quarter of 1994.

RESEARCH AND DEVELOPMENT Research and development costs not specifically covered by contracts are charged against income as incurred. Such costs amounted to $8,036 in 1996, $13,664 in 1995 and $21,062 in 1994.

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.

RESTRUCTURING, IMPAIRMENT AND OTHER COSTS

The corporation recorded a 1994 fourth quarter pre-tax charge of $44,000 ($32,100 after taxes or $1.76 per common share) reflecting its strategy for addressing trends in U.S. defense planning and spending priorities. The charge represented a write-down of the corporation's investment in Raymond Engineering, a diversified technologies subsidiary, in anticipation of a reduction in the size of its operation and certain of its product lines, and its merger into Kaman Aerospace, another Kaman subsidiary. Approximately seventy percent (70%) of the charge represented the write-down of impaired assets, including goodwill, facilities and equipment, and inventories. The balance related to personnel reductions and contract close-out costs and related expenses for items which would not benefit the ongoing activities of the merged organization. Implementation of the downsizing of Raymond's business and completion of merging operations of the two companies was substantially completed in 1996.

ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	December 31, 1996	December 31, 1995
Trade receivables, net of allowance for doubtful accounts of $2,574 in 1996, $2,289 in 1995	$ 74,402	$ 76,659
U.S. Government contracts:		
Billed	33,911	43,380
Recoverable costs and accrued profit -- not billed	51,742	37,597
Commercial contracts:		
Billed	10,332	7,866
Recoverable costs and accrued profit -- not billed	15,129	12,376
Total	$ 185,516	$ 177,878

Recoverable costs and accrued profit-not billed represent costs incurred on contracts which will become billable upon future deliveries or completion of engineering and service type contracts. Management estimates that approximately $23,812 of such costs and accrued profits at December 31, 1996 will be collected after one year.

INVENTORIES

Inventories are comprised as follows:

	December 31, 1996	December 31, 1995
Merchandise for resale	$ 110,126	$ 107,407
Contracts in process:		
U.S. Government	12,637	9,397
Commercial	7,754	2,110
Other work in process (including certain general stock materials and spare parts)	63,943	50,950
Finished goods	19,008	22,870
Total	$ 213,468	$ 192,734

Finished goods inventory consists of K-MAX(R) helicopters that are principally being used in various applications under shorter-term lease or charter/lease arrangements.

The aggregate amounts of general and administrative costs allocated to contracts in process during 1996, 1995 and 1994 were $47,985, $46,833 and $44,979, respectively.

The estimated amounts of general and administrative costs remaining in contracts in process at December 31, 1996 and 1995 amount to $3,872 and $2,134, 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, 1996	December 31, 1995
Land	$ 8,224	$ 8,382
Buildings	55,452	57,063
Leasehold improvements	14,659	14,023
Machinery, office furniture and equipment	112,988	109,849
Total	191,323	189,317
Less accumulated depreciation and amortization	114,930	106,263
Property, plant and equipment, net	$ 76,393	$ 83,054

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

REVOLVING CREDIT AGREEMENT On January 29, 1996, the corporation replaced its then existing revolving credit agreements with one revolving credit agreement involving several domestic and foreign lenders. The agreement provides for an aggregate maximum commitment of $250,000 and expires in 2001. Interest is payable at various market rates.

SHORT-TERM BORROWINGS Under its 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 several other banks to borrow funds on a short-term basis with interest at current market rates.

Short-term borrowings outstanding are as follows:

	December 31, 1996	December 31, 1995
Revolving credit agreement	$ 52,000	$ --
Other credit arrangements	8,837	62,851
Total	$ 60,837	$ 62,851

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

	December 31, 1996	December 31, 1995
Revolving credit agreement	$ 50,000	$ 30,000
Convertible subordinated debentures	33,191	33,191
Other obligations	2,914	3,842
Total	86,105	67,033
Less current portion	2,165	647
Total excluding current portion	$ 83,940	$ 66,386

CONVERTIBLE SUBORDINATED DEBENTURES The corporation issued $95,000 of its 6% convertible subordinated debentures during 1987. The debentures are convertible into shares of the Class A common stock of Kaman Corporation at any time on or before March 15, 2012 at a conversion price of $23.36 per share at the option of the holder unless previously redeemed by the corporation. Pursuant to a sinking fund requirement beginning March 15, 1997, the corporation will redeem $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. The corporation exchanged $61,804 of these debentures for its Series 2 preferred stock on October 22, 1993. The remaining debentures have a fair value of $28,876 at December 31, 1996 based upon current market prices.

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

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

1997	$ 2,165
1998	2,238
1999	2,165
2000	1,915
2001	51,915

RESTRICTIVE COVENANTS The most restrictive of the covenants contained in the revolving credit agreement requires the corporation to have operating income, as defined, at least equal to 250% of interest expense through December 31, 1997 and 275% thereafter; consolidated total indebtedness to total capitalization of not more than 55%; and consolidated net worth at least equal to $200,000.

INTEREST PAYMENTS Cash payments for interest were $9,682, $8,587 and $4,572 for 1996, 1995 and 1994, respectively.

INCOME TAXES
The components of income taxes are as follows:

	1996	1995	1994
Current:			
Federal	$ 13,734	$ 1,958	$ 6,362
State	4,664	1,000	(300)
	18,398	2,958	6,062
Deferred:			
Federal	(434)	8,192	(5,762)
State	(864)	1,979	(1,300)
	(1,298)	10,171	(7,062)
Total	$ 17,100	$ 13,129	$ (1,000)

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

	December 31, 1996	December 31, 1995
Deferred tax assets:		
Long-term contracts	$ 5,838	$ 2,531
Deferred employee benefits	8,998	7,371
Restructuring, impairment and other costs	5,255	8,860
Inventory	1,205	1,238
Accrued liabilities and other items	6,922	7,170
Total deferred tax assets	28,218	27,170
Deferred tax liabilities:		
Depreciation and amortization	(4,501)	(4,715)
Other items	(4,099)	(4,135)
Total deferred tax liabilities	(8,600)	(8,850)
Net deferred tax asset	$ 19,618	$ 18,320

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

The provisions for federal income taxes approximate the amounts computed by applying the U.S. federal income tax rate to earnings (loss) before income taxes after giving effect to state income taxes. The federal tax provision was reduced by $4,600 in 1994 as a result of the non-deductible portion of the write-down of goodwill. Cash payments for income taxes were $15,823, $3,953 and $8,255 in 1996, 1995 and 1994, respectively.

PENSION PLAN

The corporation has a non-contributory defined benefit pension plan covering all of its full-time employees. Benefits under this plan are based upon an employee's years of service and compensation levels during employment and there is an offset provision for social security benefits. It is the corporation's policy to fund pension costs accrued. Plan assets are invested in a diversified portfolio consisting of equity and fixed income securities (including $9,913 of Class A common stock of Kaman Corporation at December 31, 1996).

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

	1996	1995	1994
Service cost for benefits earned during the year	$ 9,888	$ 8,991	$ 9,636
Interest cost on projected benefit obligation	18,756	18,065	16,558
Actual return on plan assets	(35,855)	(58,243)	(1,848)
Net amortization and deferral	12,731	36,725	(17,543)
Net pension cost	$ 5,520	$ 5,538	$ 6,803

The funded status of the pension plan is as follows:

	December 31, 1996	December 31, 1995
Actuarial present value of accumulated benefit obligation:		
Vested benefits	$ 238,097	$ 224,699
Non-vested benefits	2,172	1,967
Total	$ 240,269	$ 226,666
Actuarial present value of projected benefit obligation	$ 273,196	$ 258,111
Plan assets at fair value	307,796	279,173
Excess of assets over projected benefit obligation	34,600	21,062
Unrecognized prior service cost	(511)	(566)
Unrecognized net gain	(26,533)	(10,896)
Unrecognized net transition asset	(9,268)	(11,122)
Accrued pension cost	$ 1,712	$ 1,522

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

	December 31, 1996	1995
Discount rate	7 1/2%	7 1/2%
Average rate of increase in compensation levels	4 1/2%	4 1/2%

The expected long-term rates of return on plan assets used to compute the net periodic pension costs were 9% for 1996 and 1995.

COMMITMENTS AND CONTINGENCIES

Rent commitments under various leases for office space, warehouse, land and buildings expire at varying dates from January 1997 to December 2008. Certain annual rentals are subject to renegotiation, with certain leases renewable for varying periods. Lease periods for machinery and equipment vary from 1 to 7 years.

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

The following future minimum rental payments are required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of December 31, 1996:

1997	$ 13,128
1998	7,479
1999	6,068
2000	3,943
2001	1,295
Later years	778
Total	$ 32,691

Lease expense for all operating leases, including leases with terms of less than one year, amounted to $14,889, $14,158 and $14,150 for 1996, 1995 and 1994, respectively.

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

COMPUTATION OF EARNINGS (LOSS) PER COMMON SHARE

The primary earnings (loss) per common share computation is based on the weighted average number of shares of common stock outstanding in 1996, 1995 and 1994 and includes the common stock equivalency of options granted to employees under the stock incentive plan. The fully diluted earnings per share computation also assumes that the 6% convertible subordinated debentures are converted at the beginning of each year with the resultant reduction in interest costs net of tax and the additional dilutive effect of the stock options.

Subsequent to the exchange of a majority of the debentures for Series 2 preferred stock on October 22, 1993, the corporation added the preferred stock dividend requirement to its net loss to arrive at net loss applicable to common stock to calculate its loss per common share -- primary for 1994. In 1996 and 1995, the preferred stock dividend requirement was deducted to arrive at earnings applicable to common stock to calculate its earnings per common share -- primary. In addition, in order to determine the fully diluted earnings (loss) per common share, it is assumed that the Series 2 preferred stock would be converted into Class A common stock from its date of issuance and the preferred stock dividend requirement eliminated.

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

STOCK PLANS

Effective January 1, 1996, the corporation adopted the disclosure requirements of Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation. The accounting provisions of the new Statement are not presented because the effect on 1996 and 1995 net earnings would have been immaterial.

EMPLOYEES STOCK PURCHASE PLAN The Kaman Corporation Employees Stock Purchase Plan allows employees to purchase Class A common stock of the corporation, through payroll deductions, at 85% of the market value of shares at the time of purchase. The plan provides for the grant of rights to employees to purchase a maximum of 1,500,000 shares of Class A common stock of the corporation commencing July 1, 1989. Effective November 1, 1993, the maximum number of shares available for issuance under the plan was replenished to 1,500,000 shares. There are no charges or credits to income in connection with the plan. During 1996, 228,148 shares were issued to employees at prices ranging from $8.82 to $11.21 per share. During 1995, 218,028 shares were issued to employees at prices ranging from $9.03 to $10.94 per share. During 1994, 248,223 shares were issued to employees at prices ranging from $7.54 to $8.61 per share. At December 31, 1996, there were approximately 762,402 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. The corporation has designated 962,199 shares of its Class A common stock for this plan, including 2,199 shares previously reserved under the predecessor plan.

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

Restricted stock awards were made for 54,000 shares at $10.38 per share in 1996, 30,000 shares at $11.38 per share in 1995 and 12,000 shares at $9.94 per share in 1994. At December 31, 1996, there were 92,400 shares remaining subject to restrictions pursuant to these awards. At December 31, 1996, no stock appreciation rights had been issued under the plan.

Stock option activity is as follows:

Stock options outstanding:	Options	Weighted-average exercise price
Balance at January 1, 1994	807,893	$ 8.55
Options granted	103,050	9.94
Options exercised	(12,104)	8.22
Options cancelled	(34,250)	9.18
Balance at December 31, 1994	864,589	8.69
Options granted	45,000	11.38
Options exercised	(132,857)	7.93
Options cancelled	(99,685)	9.49
Balance at December 31, 1995	677,047	8.90
Options granted	169,100	10.38
Options exercised	(55,102)	7.86
Options cancelled	(26,065)	9.00
Balance at December 31, 1996	764,980	$ 9.30

Range of exercise prices for options outstanding at December 31, 1996	$7.50 - $11.38
Options exercisable at:	
December 31, 1994	522,519
December 31, 1995	424,807
December 31, 1996	437,000
Average contractual life remaining at December 31, 1996	6.2 years

SEGMENT INFORMATION

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

Through its diversified technologies operations, the corporation provides a range of technical professional services involving either advanced information technologies or high technology science and engineering to Department of Defense and other government customers; advanced technology products such as electromagnetic motors, sliding bearings, and non-contact measuring systems for

military and industrial customers; commercial airframe subcontracting programs, safety and fusing systems, and manufacturing work along with spare parts and logistics for the SH-2 helicopter. The K-MAX(R) helicopter program, a significant commercial effort for the corporation, is included in the Diversified Technologies segment. The Diversified Technologies' segment operating profits for 1996 and 1995 include gains of approximately $4,000 and $1,800, respectively, on the sale of real estate. The Diversified Technologies' segment operating loss for 1994 reflects the effect of the $44,000 fourth quarter charge associated with the write-down of the investment in Raymond Engineering, its merger into Kaman Aerospace, and the downsizing of Raymond's business.

Through its distribution operations, the corporation supplies nearly every sector of industry with industrial replacement parts (including bearings, power transmission equipment, fluid power, linear motion, and materials handling items) as well as industrial engineering and systems services. Operations are conducted from approximately 175 locations in 35 states and British Columbia, Canada. Music operations manufacture and distribute musical instruments and accessories in the United States and abroad through domestic, Canadian and U.K. based offices.

Summarized financial information by business segment is as follows:

	1996	1995	1994
Net sales:			
Diversified Technologies	$350,082	$322,614	$310,279
Distribution	598,024	573,784	508,903
	$948,106	$896,398	$819,182
Operating profit (loss):			
Diversified Technologies	$ 39,826	$ 33,492	$(17,226)
Distribution	22,555	19,355	19,558
	62,381	52,847	2,332
Interest, corporate and other income/ expense, net	21,704	20,116	16,513
Earnings (loss) before income taxes	$ 40,677	$ 32,731	$(14,181)
Identifiable assets:			
Diversified Technologies	$287,501	$267,037	$236,239
Distribution	221,485	223,495	198,145
Corporate	12,750	9,537	8,565
	$521,736	$500,069	$442,949
Capital expenditures:			
Diversified Technologies	$ 3,718	$ 6,472	$ 17,396
Distribution	3,796	4,440	3,732
Corporate	452	591	453
	$ 7,966	$ 11,503	$ 21,581
Depreciation and amortization:			
Diversified Technologies	$ 7,953	$ 8,208	$ 9,307
Distribution	3,555	3,568	2,946
Corporate	850	911	800
	$ 12,358	$ 12,687	$ 13,053

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

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

Net sales by the Diversified Technologies segment made under contracts with U.S. Government agencies (including sales to foreign governments through foreign military sales contracts with U.S. Government agencies) account for $253,260 in 1996, $228,658 in 1995 and $249,854 in 1994.

REPORT OF INDEPENDENT AUDITORS

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

THE BOARD OF DIRECTORS AND SHAREHOLDERS
KAMAN CORPORATION:

We have audited the accompanying consolidated balance sheets of Kaman Corporation and subsidiaries as of December 31, 1996 and 1995, 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, 1996. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Kaman Corporation and subsidiaries at December 31, 1996 and 1995 and the results of their operations and their cash flows for each of the years in the three year period ended December 31, 1996 in conformity with generally accepted accounting principles.

/s/KPMG PEAT MARWICK LLP

January 27, 1997

(In thousands except per share amounts, shareholders and employees)

	1996	1995	1994	1993	1992
OPERATIONS:					
Revenues	$953,654	$899,476	$820,774	$794,092	$784,732
Cost of sales	708,505	666,761	611,762	588,237	583,638
Selling, general and administrative expense	193,747	190,604	173,853	173,581	164,603
Restructuring, impairment and other costs	--	--	44,000	69,500	--
Operating income (loss)	51,402	42,111	(8,841)	(37,226)	36,491
Interest expense	10,023	8,834	4,694	6,976	7,086
Other expense (income)	702	546	646	(3,728)	401
Earnings (loss) before income taxes	40,677	32,731	(14,181)	(40,474)	29,004
Income taxes (benefit)	17,100	13,129	(1,000)	(11,679)	11,628
Net earnings (loss)	23,577	19,602	(13,181)	(28,795)	17,376
FINANCIAL POSITION:					
Current assets	$434,131	$404,864	$339,012	$316,601	$334,581
Current liabilities	195,638	206,273	192,882	166,765	122,015
Working capital	238,493	198,591	146,130	149,836	212,566
Property, plant and equipment, net	76,393	83,054	84,621	81,711	73,262
Total assets	521,736	500,069	442,949	440,196	443,445
Long-term debt	83,940	66,386	37,433	37,977	100,889
Shareholders' equity	228,130	214,283	203,754	228,313	209,535
PER SHARE AMOUNTS:					
Net earnings (loss) per common share--primary	$ 1.06	$ .86	$ (.93)	$ (1.63)	$ .95
Net earnings (loss) per common share--fully diluted	1.00	.85	(.93)	(1.63)	.93
Dividends declared--Series 2 preferred stock	13.00	13.00	13.00	1.37	---
Dividends declared -- common stock	.44	.44	.44	.44	.44
Shareholders' equity -- common stock	9.13	8.52	8.07	9.46	11.58
Market price range	13 3/8	13 3/8	11 1/8	12 1/8	10 3/4
	9 3/8	10	8 1/2	8 5/8	7 7/8
GENERAL STATISTICS:					
Shareholders	7,632	7,646	7,198	6,920	6,994
Employees	5,476	5,400	5,239	5,363	5,424

EXHIBIT 21

KAMAN CORPORATION

SUBSIDIARIES

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

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

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

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

The Board of Directors and Shareholders
Kaman Corporation:

We consent to incorporation by reference in the Registration Statements (Nos. 33-51483 and 33-51485) on Form S-8 of Kaman Corporation of our reports dated January 27, 1997, relating to the consolidated balance sheets of Kaman Corporation and subsidiaries as of December 31, 1996 and 1995 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, 1996, and the related schedule, which reports appear or are incorporated by reference in the December 31, 1996 annual report on Form 10-K of Kaman Corporation.

/s/ KPMG Peat Marwick LLP

Hartford, Connecticut
March 21, 1997

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned does hereby appoint and constitute Charles H. Kaman and 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, 1996 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 21st day of March, 1997.

Brian E. Barents	C. William Kaman, II
E. Reeves Callaway, III	Eileen S. Kraus
Frank C. Carlucci	Hartzel Z. Lebed
Laney J. Chouest	Harvey S. Levenson
John A. DiBiaggio	Walter H. Monteith, Jr.
Edythe J. Gaines	John S. Murtha
Huntington Hardisty	Wanda L. Rogers

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THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION
EXTRACTED FROM THE COMPANY'S 1996 ANNUAL REPORT TO
SHAREHOLDERS AND IS QUALIFIED IN ITS ENTIRETY BY
REFERENCE TO SUCH FINANCIAL STATEMENTS.

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KAMAN CORPORATION
1,000

YEAR
DEC-31-1996
JAN-01-1996
DEC-31-1996
5,445
0
188,090
(2,574)
213,468
434,131
191,323
(114,930)
521,736
195,638
83,940
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57,167
18,743
152,220
521,736
948,106
953,654
708,505
902,252
702
0
10,023
40,677
17,100
23,577
0
0
0
23,577
1.06
1.00