

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

(x) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2003

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from                      to  
Commission File No. 0-1093

KAMAN CORPORATION

(Exact Name of Registrant)

Connecticut    06-0613548

(State of Incorporation)    (I.R.S. Employer Identification No.)

1332 Blue Hills Avenue, Bloomfield, Connecticut 06002

(Address of principal executive offices)

Registrant's telephone number, including area code-

(860) 243-7100

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

-Class A Common Stock, Par Value \$1.00

-6% Convertible Subordinated Debentures Due 2012

Indicate by check mark whether the registrant (1) has filed  
all reports required to be filed by Section 13 or 15(d) of the  
Securities Exchange Act of 1934 during the preceding 12 months

(or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes (X) No ( )

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes (X) No ( )

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter.

\$239,984,608.00 as of June 30, 2003.

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date (February 2, 2004).

Class A Common 21,975,797 shares

Class B Common 667,814 shares

#### DOCUMENTS INCORPORATED HEREIN BY REFERENCE

Portions of the Corporation's 2003 Annual Report to Shareholders are incorporated herein by reference and filed as Exhibit 13 to this Report.

## PART I

### ITEM 1. BUSINESS

#### INTRODUCTION

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

The Aerospace segment's programs are conducted through three principal businesses, consisting of Aircraft Structures and Components, Advanced Technology Products, and Helicopter Programs. The Aircraft Structures and Components business involves aerostructure and helicopter subcontract work as well as manufacture of components such as self-lubricating bearings and driveline couplings for aircraft applications. For 2003, this business constituted 48% of Aerospace segment sales. The aerostructure subcontract element of this business continues to be an area of strategic emphasis for the corporation. The Advanced Technology Products business manufactures products involving systems, devices and assemblies for a variety of military and commercial applications, including safe, arm and fuzing devices for several missile and bomb programs; precision non-contact measuring systems for industrial and scientific use; electro-optic systems for mine detection and other applications; and high reliability memory systems for airborne, shipboard, and ground-based programs. For 2003, this business constituted 22% of segment sales. The Advanced Technology Products operation is also an area of strategic emphasis for the corporation. Helicopter Programs include prime helicopter production along with spare parts and support. The helicopters produced by this business are the SH-2G multi-mission maritime helicopter and the K-MAX (registered trademark) medium to heavy external lift helicopter. For 2003, this business constituted 30% of segment sales.

The Industrial Distribution segment is the third largest U.S. industrial distributor servicing the bearing, electrical/mechanical power transmission, fluid power, motion control and materials handling markets in the United States. This segment offers more than 1.5 million items, as well as value-added services to a base of more than 50,000 customers spanning nearly every sector of U.S. industry from approximately 200 branches and regional distribution centers in the U.S., Canada, and Mexico.

The Music segment, the name of which has been changed from "Music Distribution" in order to better express the breadth of the segment's other activities, is America's largest independent

distributor of musical instruments and accessories, and is

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involved in some combination of designing, manufacturing, marketing and distributing more than 15,000 products from four distribution facilities and one manufacturing facility located in the United States and Canada, to retailers of all sizes for musicians at all skill levels.

AEROSPACE SEGMENT

Aircraft Structures and Components

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Aerostructures subcontract work involves commercial and military aircraft programs. Current programs include production of aircraft subassemblies and other parts for virtually all Boeing commercial aircraft and the C-17 military transport. This element of the Aerospace segment operation continues to be an area of strategic emphasis for the corporation. The low current and projected build rates for commercial airliners affect this business directly, and the market has become increasingly cost competitive on an industry-wide basis.

Helicopter subcontract work involves commercial and military helicopter programs. Commercial programs include multi-year contracts for production of fuselages for the MD Helicopters, Inc. ("MDHI") 500 and 600 series helicopters and composite rotor blades for the MD Explorer helicopter. Total orders from MDHI have run at significantly lower rates than originally anticipated due to lower than expected demand. The corporation's investment in these contracts consists of \$4.4 million in billed receivables and \$16.4 million in recoverable costs - not billed (including start-up costs and other program expenditures) as of December 31, 2003. In 2003, the corporation received payments totaling \$4.4 million, primarily for items shipped during 2003. The recoverability of unbilled costs will depend to a significant extent upon MDHI's future requirements through 2013, the year to which both contracts extend. The corporation stopped production on these contracts in the second quarter of 2003, while working closely with this customer to resolve overall payment issues and establish conditions under which production could be resumed, including the timing thereof. Based upon MDHI's projected future requirements and inventory on hand at both MDHI and the corporation, this would not be expected to occur until the second half of 2004 at the earliest. Although the outcome is not certain, the corporation understands that MDHI management is pursuing strategies to improve its current financial and operational circumstances.

The segment's Kamatics operation manufactures proprietary self-lubricating bearings used in aircraft flight controls, turbine engines and landing gear and produces driveline couplings for helicopters. This business had increased sales in

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2003 with military and commercial aftermarket sales helping to offset continued softness in commercial and regional aircraft manufacturing. Kamatics products are in wide use in commercial airliners operated by the major and regional airlines, and increasingly, in military programs. Boeing is Kamatics' largest commercial customer.

Advanced Technology Products

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Advanced Technology Products is also an area of strategic emphasis for the corporation. In July 2002, the corporation acquired Dayron, a weapons fuze manufacturer for a variety of munitions programs. The principal motivation for the acquisition was a Dayron contract to develop a fuze for the U.S. Air Force and Navy Joint Programmable Fuze ("JPF") program. The JPF program is expected to generate substantial business once final qualification has been achieved and future production orders have been received. Final qualification testing was

undertaken early in 2003 but test results at that time necessitated additional qualification work, which has delayed production unit sales and increased program costs. Final qualification testing resumed in the fourth quarter of 2003, however, with Dayron completing the portion of qualification testing required to be conducted by it as the contractor. The customer has now resumed its portion of the qualification testing with positive early results. Management expects that final qualification testing will be completed in March 2004.

#### Helicopter Programs

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The segment's helicopter products include the SH-2G multi-mission maritime helicopter and the K-MAX medium-to-heavy external lift helicopter. The SH-2G helicopter represents the majority of the segment's helicopter program sales and generally consists of retrofit of the corporation's SH-2F helicopters to the SH-2G configuration or refurbishment of existing SH-2G helicopters. The SH-2, including its F and G configurations, was originally manufactured for the U.S. Navy. The SH-2G aircraft is currently in service with the Egyptian Air Force and the New Zealand and Polish navies.

The program for five retrofit SH-2G aircraft for New Zealand, which had a contract value of about \$190 million, was completed early in 2003. A much smaller program for the refurbishment of four SH-2G aircraft for Poland, which had a contract value of almost \$7 million, was also completed during 2003.

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Work continues on the SH-2G(A) retrofit program for Australia which involves eleven helicopters with support, including a support services facility, for the Royal Australian Navy ("RAN"). The total contract has an anticipated value of about \$723 million. The helicopter production portion of the program is valued at approximately \$598 million, of which about 96% has been recorded as sales through December 31, 2003. As previously reported, this contract is now in a loss position due to increases in anticipated costs to complete the program that were reflected in a \$25.0 million pre-tax charge taken in 2002 and a \$31.2 million sales and pre-tax profit adjustment taken in 2001.

Production of all the SH-2G(A) aircraft is essentially complete. As previously reported, the aircraft lack the full Integrated Tactical Avionics System ("ITAS") software and progress is continuing on this element of the program. In September 2003, the RAN began the process of provisional acceptance of these aircraft after receiving a decision to proceed from the Australian government. The corporation expects to be able to deliver the full capability of the ITAS weapons system software in late 2004 with final acceptance anticipated in 2005. While management believes that the corporation's reserves are sufficient to cover estimated costs to complete the program, final development of the software by subcontractors and its integration, which is the corporation's responsibility, are yet to come and they are complex tasks.

The corporation continues to pursue other opportunities for the SH-2G helicopter in the international defense market. This market is highly competitive and heavily influenced by economic and political conditions. However, management continues to believe that the aircraft is in a good competitive position to meet the specialized needs of navies around the world that operate smaller ships for which the SH-2G is ideally sized. The corporation also maintains a consignment of the U.S. Navy's inventory of SH-2 spare parts under a multi-year agreement that provides the corporation the ability to utilize certain inventory for support of its SH-2G programs.

With respect to its K-MAX helicopter program, the segment continues to pursue both a sale and short-term lease program for existing K-MAX aircraft inventory that was written down to estimated fair market value in 2002. As previously reported, this approach follows a 2002 market evaluation of the K-MAX

helicopter program which had experienced several years of significant market difficulties. In connection with this decision, the corporation wrote down the value of existing aircraft, excess spare parts, and equipment inventories. Development costs for the aircraft were expensed in earlier years, when incurred. On a going forward basis, the corporation intends to maintain adequate inventories and personnel to

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support the fleet and additional aircraft will be produced only upon firm order by a customer. During 2003, two K-MAX helicopters were leased and two others were converted from leases to sales. Currently, there are seven K-MAX aircraft remaining available for sale, including the two aircraft currently leased to customers.

#### Overall Aerospace Segment Performance in 2003

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The Aerospace segment business was adversely impacted by several factors during 2003. These factors included weakness in the commercial aerospace market, which has caused order stretch-outs and a lower volume of deliveries than anticipated for certain Boeing programs, difficulties experienced in certain significant segment programs, including the MDHI helicopter subcontract program, and the JPF program, lack of new helicopter orders, and cost and operational issues associated with the transition from the segment's Moosup, Conn. manufacturing facility to its expanded facility in Jacksonville, Fla. These factors have led to lower sales volume, which in turn has resulted in overhead and general and administrative expenses being absorbed at higher rates by active segment programs; this has led to generally lower profitability or losses for these programs.

Management continues to evaluate Kaman Aerospace's cost structure, including its manpower requirements, and action is being taken, where appropriate, to help bring the cost structure in line with the business base. Management directed the move from Moosup, the corporation's oldest facility, to Jacksonville, a modern, expanded facility, in order to provide a lower cost base from which to compete in the aerostructures subcontract arena. This move was essentially completed in 2003. However, the transition has generated additional costs associated with the phase-out of Moosup, production man-hour performance in Jacksonville, which has not yet achieved the levels that had existed on an overall basis in Moosup, and the normal FAA and customer requirements to requalify manufacturing and quality processes in Jacksonville. While these costs continue to be an issue going into 2004, the opportunity to operate at lower cost in Jacksonville remains evident and is an expectation for the future. The Jacksonville facility is ready to accept additional business, although that may take time to develop in the present environment.

Despite current circumstances, to date, management has elected to continue expenditures for longer-term competitiveness in the commercial aircraft market and to maintain its prime helicopter program capabilities.

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#### Industrial Distribution Segment

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This segment is the third largest U.S. industrial distributor servicing the bearing, electrical/mechanical power transmission, fluid power, motion control and materials handling markets in the United States. The segment distributes products and provides customized value-added services on a regional and national basis to companies having production plants and facilities that represent a wide spectrum of the North American economy, from major food processing companies to basic industries producing brand name products, from approximately 200 branches and regional distribution centers in the U.S., Canada, and Mexico.

Because the segment's customers include a broad spectrum of U.S. industry, this business is directly affected by national macroeconomic variables such as the percentage of plant capacity utilization within the U.S. industrial base, and the business tends to track the U.S. Industrial Production Index with a short lag. Industrial Distribution segment results in 2003 were affected by continued weakness in the U.S. manufacturing sector that has existed since the latter part of 2000. During this period, cost controls and focus on working capital investment helped performance. Particularly in this type of environment, vendor incentives in the form of rebates (i.e., vendors provide inventory purchase rebates to distributors at specified volume-purchasing levels) have been a major contributor to the segment's operating profits.

Despite economic circumstances during most of the year, the segment benefited from acquisitions completed in the past several years and from awards of new business at the national account level. Significant recent additions to this roster include Campbell Soup, GAF and Phelps Dodge. Late in 2003, the segment also began to experience increased requests for proposals and order activity. While industrial production levels remain far from the levels sustained several years ago, management is encouraged by signs of improvement in national industrial markets.

Success in the segment's markets requires a combination of competitive pricing and value-added services that save the customer money while helping it become more efficient and productive. Management believes that this segment has the appropriate platforms, including technology, systems management and customer and supplier relationships to compete effectively in the evolving and highly fragmented industrial distribution industry. The segment's size and scale of operations allow it to attract highly skilled personnel and realize internal operating efficiencies, and also to take advantage of vendor incentives in the form of rebates, which tend to favor the larger

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distributors. Management believes that the segment's resources and product knowledge enable it to offer a comprehensive product line and invest in sophisticated inventory management and control systems while its position in the industry enhances its ability to rebound during economic recoveries and grow through acquisitions.

In addition, over the past several years, large companies have increasingly centralized their purchasing through suppliers that can service all of their plant locations across a wide geographic area. As this trend continues, the segment has expanded its presence in geographic markets considered key to winning these customers through acquisitions in the upper Midwest and Mexico, and the selective opening of new branches. Early in the fourth quarter of 2003, the segment acquired a majority of the net assets and business of Industrial Supplies, Inc. ("ISI"), of Birmingham, Alabama, a distributor of a wide variety of bearing, conveyor, electrical, fluid power and power transmission components used by manufacturing, mining, steel, lumber, pulp and paper, food and other industries. As a result of the acquisition, the segment now maintains four branches in Alabama and an additional branch in Florida, expanding the segment's presence in the increasingly important southeast industrial market. The segment also added branches in the Dallas and Richmond areas during 2003, so that as of the end of the year, the segment now serves 70 of the top 100 industrial markets in the country. Management's goal is to grow the Industrial Distribution segment by expanding into additional areas that enhance its ability to compete for large regional and national customer accounts.

The segment also seeks to provide leadership in e-commerce initiatives and further enhance operating and asset utilization efficiencies throughout the business. The segment's information technology infrastructure enables it to interface with all of the major software systems used by its customers. As a result, many formerly manual processes are now automated, including purchase order receipts, acknowledgments, electronic invoicing and funds transfer. In addition, the segment's e-commerce

website, although a small portion of overall sales, is serving an increasingly broad customer base. Technology is also an important tool to increase efficiency in the segment's relationships with its suppliers; more than 65% of product orders to these suppliers are placed electronically and an increasing proportion is shipped from suppliers directly to the segment's customers.

As previously reported, this segment had experienced an increase in the number of "John Doe" type legal proceedings filed against it, generally relating to parts allegedly supplied to the U.S. Navy's shipyard in San Diego, California by a predecessor company over 25 years ago, that may have contained

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asbestos. While management believes that the segment has good defenses to these claims, it is in the process of settling virtually all of the claims for amounts that are immaterial in the aggregate, with contribution from insurance carriers. Management does not currently expect that these circumstances will have a material adverse effect on the corporation.

#### MUSIC SEGMENT (formerly the Music Distribution Segment)

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Music segment results in 2003 reflect the positive effects of the 2002 acquisition of Latin Percussion, the world leader in hand percussion instruments. This segment's business is directly affected by consumer confidence levels and although results for the segment's base business (i.e., without Latin Percussion) reflected a somewhat weak consumer environment, conditions improved toward the end of the year and the segment had good results overall, including a good Christmas season, particularly at the large national stores.

The segment's broad array of instruments includes premier and proprietary products, such as the Ovation (registered trademark), and Hamer (registered trademark) guitars, Latin Percussion/LP (registered trademarks) percussion products and Takamine (registered trademark) guitars under its exclusive distribution agreement. To enhance its market position, the segment has significantly extended its line of percussion products and accessories over the past two years, augmenting its CB, Toca (registered trademark) and Gibraltar (registered trademark), Gretsch\* (registered trademark) drums, and Sabian\* cymbals, with the acquisition of Latin Percussion.

In September, 2003, the segment acquired Genz Benz Enclosures, Inc., a small manufacturer of amplification and sound reinforcement equipment that complements the segment's guitar lines. Genz Benz has been working with the segment for several years through an exclusive distribution agreement, so while the acquisition will not add immediate incremental sales, it provides the segment with ownership of this product line. The segment continues to seek opportunities to add exclusive premier brand product lines that would build upon the segment's market position.

Technology is an important part of the segment's business. The segment's customers have access to kmconline.com, an industry-leading e-commerce site for expedited direct ordering of merchandise that helps customers cut costs and improve efficiencies through electronic exchange of information.

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In addition, to ensure high quality while offering value at different price points, the segment's products are manufactured both in the United States and abroad.

\*Sabian and Gretsch are registered trademarks of other organizations.

AVAILABLE INFORMATION

The corporation's website address is [www.kaman.com](http://www.kaman.com). The corporation's annual report on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K as well as amendments to those reports filed or furnished pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, together with Section 16 insider beneficial stock ownership reports, are available free of charge through the website as soon as reasonably practicable after they are electronically filed or furnished to the Securities and Exchange Commission. The information contained in the corporation's website is not intended to be incorporated into this Annual Report on Form 10-K.

The Corporation's Governance Principles and all Board of Directors' standing Committee Charters (including Audit, Corporate Governance, Personnel & Compensation and Finance) are also located on the corporation's website.

## FINANCIAL INFORMATION

Information concerning each segment's performance for the last three fiscal years is included in the Segment Information section of the corporation's 2003 Annual Report to Shareholders (Exhibit 13 to this Form 10-K) and such section is incorporated herein by reference.

## PRINCIPAL PRODUCTS AND SERVICES

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

	Years Ended December 31		
	2001	2002	2003
	-----	-----	-----
Aerospace	34.4%	31.3%	28.1%
Industrial Distribution	51.8%	54.2%	55.7%
Music	13.8%	14.5%	16.2%
Total	100.0%	100.0%	100.0%

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## RESEARCH AND DEVELOPMENT EXPENDITURES

~~Aerospace segment government sponsored research expenditures, included in cost of sales, were \$4.9 million in 2003, \$9.8 million in 2002 and \$6.7 million in 2001. Independent research and development expenditures, included in selling, general and administrative expenses, were \$4.3 million in 2003, \$5.4 million in 2002 and \$4.7 million in 2001.~~

## BACKLOG

~~Program backlog of the Aerospace segment was approximately \$322.4 million at December 31, 2003, \$370.0 million at December 31, 2002 and \$364.9 million at December 31, 2001.~~

~~The corporation anticipates that approximately 53.7% of its backlog at the end of 2003 will be performed in 2004. Approximately 38.3% of the backlog at the end of 2003 is related to U.S. government contracts or subcontracts which are included in backlog to the extent that funding has been appropriated by Congress and allocated to the particular contract by the relevant procurement agency. Virtually all of these funded government contracts have been signed.~~

## GOVERNMENT CONTRACTS

~~During 2003, approximately 92.0% of the work performed by the corporation directly or indirectly for the U.S. government was performed on a fixed price basis and the balance was performed on a cost reimbursement basis. Under a fixed price contract, the price paid to the contractor is negotiated at the~~



~~outset of the contract and is not generally subject to adjustment to reflect the actual costs incurred by the contractor in the performance of the contract. Cost reimbursement contracts provide for the reimbursement of allowable costs and an additional negotiated fee.~~

~~The corporation's U.S. government contracts and subcontracts contain the usual required provisions permitting termination at any time for the convenience of the government with payment for work completed and associated profit at the time of termination.~~

#### ~~COMPETITION~~

~~The Aerospace segment operates in a highly competitive environment with many other organizations, some of which are substantially larger and have greater financial and other resources.~~

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~~The corporation competes for its aerostructures subcontract, helicopter structures and components business on the basis of price and quality; product endurance and special performance characteristics; proprietary knowledge; and the reputation of the corporation. Competitors for this business include small machine shops and offshore manufacturing facilities. The corporation competes for its advanced technology fuzing business primarily on the basis of technical competence, product quality, and to some extent, price; and also on the basis of its experience as a developer and manufacturer of fuzes for particular weapon types and the availability of facilities, equipment and personnel. The corporation is also affected by the political and economic circumstances of its potential foreign customers. The corporation competes with other helicopter manufacturers on the basis of price, performance, and mission capabilities; and also on the basis of its experience as a manufacturer of helicopters, the quality of its products and services, and the availability of facilities, equipment and personnel to perform contracts. Consolidation in the industry has increased the level of international competition for helicopter programs. The corporation's FAA certified K MAX helicopters compete with military surplus helicopters and other used commercial helicopters employed for lifting, as well as with alternative methods of meeting lifting requirements.~~

~~Industrial distribution operations are subject to a high degree of competition from several other national distributors, two of which are substantially larger than the corporation; and from many regional and local firms. Competitive forces have intensified due to weakness in the U.S. manufacturing sector that has existed since late 2000, the growth of major competitors through consolidation and the increasing importance of large national or North American accounts.~~

~~Music operations compete with domestic and foreign distributors. Certain musical instrument products manufactured by the corporation are subject to competition from U.S. and foreign manufacturers as well. The corporation competes in these markets on the basis of service, price, performance, and inventory variety and availability. The corporation also competes on the basis of quality and market recognition of its music products and has established trademarks and trade names under which certain of its music products are produced, as well as under private label manufacturing in a number of foreign countries.~~

#### ~~FORWARD LOOKING STATEMENTS~~

~~This release contains forward looking information relating to the company's business and prospects, including aerostructures and helicopter subcontract programs and components, advanced technology products, SH 2G and K MAX helicopter programs, the~~

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~~industrial distribution and music businesses, and other matters that involve a number of uncertainties that may cause actual~~

results to differ materially from expectations. Those uncertainties include, but are not limited to: 1) the successful conclusion of competitions and thereafter contract negotiations with government authorities, including foreign governments; 2) political developments in countries where the company intends to do business; 3) standard government contract provisions permitting renegotiation of terms and termination for the convenience of the government; 4) economic and competitive conditions in markets served by the company, particularly industrial production and commercial aviation, and global economic conditions; 5) satisfactory completion of the Australian SH-2G(A) program, including successful completion and integration of the full ITAS software; 6) recovery of the company's investment in the MB Helicopters, Inc. contracts; 7) actual costs for recertifying products and processes in connection with start-up of the expanded Jacksonville facility; 8) JPF program final qualification test results and receipt of production orders; 9) achievement of enhanced business base in the Aerospace segment in order to better absorb overhead and general and administrative expenses; 10) successful sale or lease of existing K-MAX inventory; 11) the condition of consumer markets for musical instruments; 12) profitable integration of acquired businesses into the company's operations; 13) changes in supplier sales or vendor incentive policies; 14) the effect of price increases or decreases; and 15) currency exchange rates, taxes, changes in 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, 2003, the Corporation employed 3,499 individuals throughout its business segments and corporate headquarters as follows:

Aerospace	1,579
Industrial Distribution	1,471
Music	365
Corporate Headquarters	84
	3,499

## PATENTS AND TRADEMARKS

The corporation holds patents reflecting scientific and technical accomplishments in a wide range of areas covering both

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basic production of certain products, including aerospace products and music instruments, as well as highly specialized devices and advanced technology products in defense related and commercial fields.

Although the corporation's patents enhance its competitive position, management believes that none of such patents or patent applications is singularly or as a group essential to its business as a whole. The corporation holds or has applied for U.S. and foreign patents with expiration dates that range through the year 2023.

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

Segment	U.S. PATENTS		FOREIGN PATENTS	
	Issued	Pending	Issued	Pending
Aerospace	43	2	13	5
Industrial Distribution	0	0	0	0
Music	31	1	33	66
	74	3	46	71

Registered trademarks of Kaman Corporation include Adamas, Applause, Hamer, Kaflex, Karon, K-MAX, Magic Lantern, Ovation, LP

~~and Latin Percussion. In all, the corporation maintains 305 U.S. and foreign trademarks with 89 applications pending, most of which relate to music products in the Music 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.~~

~~The corporation is subject to the usual reviews, inspections and enforcement actions by various federal and state environmental and enforcement agencies and has entered into agreements and consent decrees at various times in connection with such reviews. One such matter, Roque vs. Kaman, is discussed in Item 3 (Legal Proceedings). In addition, the Corporation engages in various environmental studies and investigations and, where legally required to do so, undertakes appropriate remedial actions at facilities owned or controlled by it, either voluntarily or in connection with the acquisition, disposal or operation of such facilities. Such studies and~~

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~~investigations are ongoing at the Corporation's Bloomfield, and Moosup, Connecticut facilities with voluntary remediation activities also being undertaken at the Moosup facility. 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. One such matter involved the Barkhamsted Landfill site located in New Hartford, Connecticut (the "Barkhamsted site") which the corporation has previously reported in its report on Form 10 Q for the quarter ended June 30, 2002, Document No. 0000054381 02-000022 filed with the Securities and Exchange Commission on August 14, 2002. The Corporation, together with other PRPs has entered into, and finalized, a consent decree with the EPA settling its involvement and responsibility for remediation of the site for a non-material amount, subject to certain contingencies which the corporation believes are reasonable. With respect to any other such matters which may currently be pending, the corporation has been able to determine, based on its current knowledge, that resolution of such matters is not likely to have a material adverse effect on the future financial condition of the corporation.~~

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

#### ~~FOREIGN SALES~~

~~Fifteen percent (15%) of the sales of the corporation made in 2003 were to customers located outside the United States. In 2003, the corporation continued its efforts to develop international markets for its products and foreign sales (including sales for export). The corporation also continued to perform work under contracts with the Commonwealth of Australia and the Government of New Zealand for the supply of retrofit SH-2G helicopters. Additional information required by this item~~

is included in the Segment Information section of the corporation's 2003 Annual Report to Shareholders (Exhibit 13 to this Form 10-K) which section is incorporated herein by reference.

## ITEM 2. PROPERTIES

The corporation occupies approximately 3,581 thousand square feet of space throughout the United States and in Australia, Canada, Germany and Mexico, distributed as follows:

SEGMENT	SQUARE FEET
	(in thousands as of 12/31/03)
Aerospace	1,809
Industrial Distribution	1,255
Music	477
Corporate Headquarters	40
Total	3,581

The Aerospace segment's principal facilities are located in Arizona, Connecticut, Florida, and Kansas; other facilities including offices and smaller manufacturing and assembly operations are located in several other states and in Dachsbad, Germany. These facilities are used for manufacturing, research and development, engineering and office purposes. The U.S. Government owns 154 thousand square feet of the space occupied by Kaman Aerospace Corporation in Bloomfield, Connecticut in accordance with a Facilities Lease Agreement with an initial five (5) year term which has been extended to expire in March 2005. The corporation also occupies a facility in Nowra, New South Wales, Australia under a contract providing for a ten (10) year term expiring in June, 2010. Approximately 500,000 square feet of space listed above is attributable to the Aerospace segment facility located in Moosup (the "Moosup facility") which was closed in 2003.

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

The Music segment's facilities in the United States are located in Connecticut, California, New Jersey and Tennessee. An additional Music facility is located in Ontario, Canada. These

facilities consist principally of regional distribution centers and office space. Also included are facilities used for manufacturing music instruments.

The corporation occupies a 40 thousand square foot Corporate headquarters building in Bloomfield, Connecticut.

The corporation's facilities are generally suitable and adequate to serve its purposes. Substantially all of its facilities are currently fully utilized with the exception of certain properties in the Aerospace segment. Within the Aerospace segment, the Moosup manufacturing facility is now closed for operation and awaiting disposition, while the expanded Jacksonville facility and the helicopter program related space at the Bloomfield facility are currently underutilized due to the factors discussed in Item 1 of this report.

The corporation is a lessee of many of its facilities, particularly in the Industrial Distribution segment.

## ITEM 3. LEGAL PROCEEDINGS

~~As previously reported, in October 2003 the corporation entered into a stipulated judgment with the Connecticut Department of Environmental Protection, settling the matter referred to as Rocque vs. Kaman. The complaint in this matter alleged certain regulatory violations (the majority of which were administrative in nature) at facilities located in Connecticut related to routine inspections which took place between 1988 and 1998. The matter was settled for a non-material amount.~~

~~Other legal proceedings or enforcement actions relating to environmental matters are discussed in the section entitled Compliance with Environmental Protection Laws.~~

#### ~~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 2003.~~

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## ~~PART II~~

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

##### ~~MARKET FOR CLASS A COMMON STOCK~~

~~The Class A Common Stock of the corporation is traded on the NASDAQ Stock Market under the symbol "KAMNA". The corporation's Class B Common Stock is not actively traded.~~

##### ~~HOLDERS OF COMMON STOCK~~

~~As of February 2, 2004, there were approximately 5,416 holders of record of the corporation's Class A Common Stock and 70 holders of record of the corporation's Class B Common Stock.~~

##### ~~INVESTOR SERVICES PROGRAM~~

~~Shareholders of Kaman Class A common stock are eligible to participate in the Mellon Investor Services Program administered by Mellon Bank, N.A. which offers a variety of services including dividend reinvestment. A booklet describing the program may be obtained by writing to the program's Administrator, Mellon Investor Services, P.O. Box 590, Ridgefield Park, NJ 07660.~~

QUARTERLY CLASS A COMMON STOCK INFORMATION

	High	Low	Close	Dividend
2003				
First	\$13.24	\$ 9.40	\$ 9.78	\$.11
Second	11.80	9.42	11.49	.11
Third	14.91	10.72	12.96	.11
Fourth	14.29	11.67	12.73	.11

2002				
First	\$17.61	\$13.46	\$16.95	\$.11
Second	18.81	14.82	16.76	.11
Third	17.50	11.00	12.25	.11
Fourth	13.75	9.42	11.00	.11

QUARTERLY DEBENTURE INFORMATION (6% Conv. Subordinated)

	High	Low	Close
2003			
First	\$ 92.00	\$92.00	\$92.00
Second	95.00	94.75	94.75
Third	99.00	99.00	99.00
Fourth	No Trades*		

\*Effective January 29, 2004, this security's listing moved from the NASDAQ Small Cap Market to the OTC bulletin board.

2002			
First	\$ 99.00	\$91.00	\$99.00
Second	No Trades		
Third	No Trades		
Fourth	100.00	91.00	95.00

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

ANNUAL MEETING

The Annual Meeting of Shareholders of the corporation is scheduled to be held on Tuesday, April 20, 2004 at 11:00 a.m. in the offices of the corporation, 1332 Blue Hills Avenue, Bloomfield, Connecticut 06002. Holders of all classes of Kaman securities are invited to attend, however it is expected that matters on the agenda for the meeting will require the vote of Class B shareholders only.

ITEM 6. SELECTED FINANCIAL DATA

Information required by this item is included in the Five-Year Selected Financial Data section of the corporation's 2003 Annual Report to Shareholders (Exhibit 13 to this Form 10-K) and

~~that section is incorporated herein by reference.~~

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

~~Information required by this item is included in the Management's Discussion and Analysis section of the corporation's 2003 Annual Report to Shareholders (Exhibit 13 to this Form 10-K) and that section is incorporated herein by reference.~~

~~ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT  
MARKET RISK~~

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

~~The corporation's exposure to interest rate risk relates primarily to its financial instruments, and is managed principally through the use of long term debt obligations with fixed interest rates and revolving credit facilities with interest at current market rates. Fees and interest rates charged on revolving credit commitments and borrowings are based upon borrowing levels, market interest rates, and the corporation's credit rating. Letters of credit are generally considered borrowings for purposes of the corporation's revolving credit agreement.~~

~~The corporation's primary interest rate risk is derived from its outstanding variable rate revolving credit facilities. Changes in market interest rates or the corporation's credit rating would impact the interest rates on these facilities. There~~

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~~was some increase in the corporation's exposure to this market risk factor during 2003, as average bank borrowings increased principally due to acquisitions during the past few years. For the year ended December 31, 2003, the result of a hypothetical 1% increase in the average cost of the corporation's revolving credit facilities would have reduced earnings before income taxes by approximately \$400,000.~~

~~The corporation has manufacturing, sales, and distribution facilities in certain locations throughout the world and makes investments and conducts business transactions denominated in various currencies, including the U.S. dollar, Euro, Canadian dollar, Mexican peso, and Australian dollar. The corporation's exposure to currency exchange rates is managed at the corporate and subsidiary operations levels as an integral part of the business. Management believes that any near term changes in currency exchange rates would not materially affect the consolidated financial position, results of operations or cash flows of the corporation.~~

~~The corporation's exposure to supplier sales policies and price changes relates primarily to its distribution businesses and the corporation seeks to manage this risk through its procurement policies and maintenance of favorable relationships with suppliers. Except for vendor incentives, management believes that any near term changes in supplier sales policies and price changes would not materially affect the consolidated financial position, results of operations or cash flows of the corporation. Vendor incentives have been an important contributor to the Industrial Distribution segment's operating profits. While management believes that vendors will continue to offer incentives, there can be no assurance that the segment will continue to receive comparable amounts in the future.~~

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

~~Information required by this item is included in the Consolidated Financial Statements, Notes to Consolidated Financial Statements and Selected Quarterly Financial Data sections of the corporation's 2003 Annual Report to Shareholders~~

~~(Exhibit 13 to this Form 10-K) and such sections are incorporated herein by reference.~~

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

~~None.~~

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~~ITEM 9 A. Controls and Procedures~~

~~(a) Disclosure Controls and Procedures. The corporation's management, with the participation of the corporation's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the corporation's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evaluation, the corporation's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the corporation's disclosure controls and procedures were effective.~~

~~We note, however, that even the most well designed and executed control systems are subject to inherent limitations and as a result, the control system can provide reasonable but not absolute assurance that its objectives will be met under all potential future conditions. The corporation's Chief Executive Officer and Chief Financial Officer have concluded that the corporation's disclosure controls and procedures are effective at a reasonable assurance level.~~

~~(b) Internal Control Over Financial Reporting. There have not been any changes in the corporation's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15 (f) under the Exchange Act) during the fiscal quarter to which this report relates (the registrant's fourth fiscal quarter in the case of an annual report) that have materially affected, or are reasonably likely to materially affect, the corporation's internal control over financial reporting.~~

~~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:~~

<del>Brian E. Barents</del>	<del>Mr. Barents, 60, has been a Director since 1996. He is the retired President and Chief Executive Officer of Galaxy Aerospace Corp. Prior to that he was President and Chief Executive Officer of Learjet, Inc. He is also a director of Eclipse Aerospace Corp. and The Nordam Group.</del>
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<del>T. Jack Cahill</del>	<del>Mr. Cahill, 55, has been President of Kaman Industrial Technologies Corporation, a subsidiary of the corporation, since 1993. He has held various positions with the corporation since 1975.</del>
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<del>E. Reeves Callaway, III</del>	<del>Mr. Callaway, 56, has been a Director since 1995. He is the Founder and Chief Executive Officer of The Callaway</del>
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~~Companies, an engineering services firm.~~

~~Candace A. Clark Ms. Clark, 49, has been Senior Vice President, Chief Legal Officer and Secretary since 1996. Prior to that she served as Vice President and Counsel. Ms. Clark has held various positions with the corporation since 1985.~~

~~John A. DiBiaggio Dr. DiBiaggio, 71, has been a Director since 1984. He is now President Emeritus of Tufts University, having served as President until the fall of 2001. Prior to that he was President and Chief Executive Officer of Michigan State University.~~

~~Ronald M. Galla Mr. Galla, 52, 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, 59, 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.~~

~~Edwin A. Huston Mr. Huston, 65, has been a director since 2002. Mr. Huston is the retired Vice Chairman of Ryder System, Incorporated, an international logistics and transportation solutions company. He served as Senior Executive Vice President Finance and Chief Financial~~

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~~Officer of that company from 1986 to 1999. Mr. Huston is a director of Unisys Corporation, Answerthink, Inc. and Enterasys Networks, Inc.~~

~~Russell H. Jones Mr. Jones, 59, was appointed Senior Vice President, Chief Investment Officer, and Treasurer in 2003. Prior to that he served as Vice President and Treasurer. He has held various positions with the Corporation since 1973.~~

~~G. William Kaman II Mr. Kaman, 52, has been a Director since 1992 and is Vice Chairman of the board of directors of the corporation. He is the retired Chairman and CEO of AirKaman of Jacksonville, Inc., an entity no longer affiliated with the corporation. Previously he was Executive Vice President of the corporation and President of Kaman Music Corporation, a subsidiary of the corporation.~~

~~John C. Kornegay Mr. Kornegay, 54, has been President of Kamatics Corporation, a subsidiary of the corporation, since 1999. He has held various positions with Kamatics Corporation since 1988.~~

~~Eileen S. Kraus Ms. Kraus, 65, has been a Director since 1995. As the current Chairman of the Corporate Governance Committee, she also serves as the Board's Lead Director. She is the retired Chairman of Fleet Bank~~

~~Connecticut. She is a director of The Stanley Works and Rogers Corporation.~~

~~Paul R. Kuhn Mr. Kuhn, 62, has been a Director since 1999. He has been President and Chief Executive Officer of the corporation since August 1999 and was appointed to the additional position of Chairman in 2001. From 1998 to 1999 he was Senior Vice President, Operations, Aerospace Engine Business, for Coltec Industries, Inc. Prior to that he was Group Vice President, Coltec Industries, Inc. and President of its Chandler Evans division. He is a director of the Connecticut Business and Industry Association.~~

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~~Joseph H. Lubenstein Mr. Lubenstein, 56, has been President of Kaman Aerospace Corporation, a subsidiary of the corporation, since 2001. Prior to that, he served for many years in a variety of senior management positions at Pratt & Whitney, a subsidiary of United Technologies Corporation, the last position being Vice President Quality and Vice President Materials.~~

~~Walter H. Monteith, Jr. Mr. Monteith, 73, has been a Director since 1987. He is the retired Chairman of Southern New England Telecommunications Corporation.~~

~~Wanda L. Rogers Mrs. Rogers, 71, has been a Director since 1991. She is President and Chief Executive Officer of Rogers Helicopters, Inc., President of Sco Matt, Inc. and Vice President of Heavy Lift Helicopters. She is also a director of both Central Valley Community Bancorp and its subsidiary, Central Valley Community Bank.~~

~~Robert H. Saunders, Jr. Mr. Saunders, 62, has been President of Kaman Music Corporation, a subsidiary of the corporation, since 1998. He has held various positions with the corporation since 1995.~~

~~Richard J. Swift Mr. Swift, 59, has been a director since 2002. Mr. Swift is currently Chairman of the Financial Accounting Standards Advisory Council. In 2001, he retired as Chairman, President and Chief Executive Officer of Foster Wheeler Ltd., a provider of design, engineering, construction, and other services, a position he held since 1994. Prior to that, Mr. Swift held various positions at Foster Wheeler, having joined the company in 1972. Mr. Swift is a director of Ingersoll Rand Company Ltd., Public Service Enterprise Group Incorporated and Hubbell Incorporated.~~

~~Each Director and executive officer has been elected for a term of one year and until his or her successor is elected. The terms of all Directors and executive officers are expected to expire as of the Annual Meeting of the Shareholders and Directors of the corporation scheduled to be held on April 20, 2004.~~

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

~~Based upon information provided to the corporation by persons required to file reports under Section 16(a) of the~~

(a)	Annual Compensation			Long Term Compensation				
	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Other Annual Comp.	AWARDS RSA (\$)(1)	Options/SARs (#Shares)	LTIP Payments	Other Comp. (\$)(2)
P. R. Kuhn Chairman, President and Chief Executive Officer	2003	800,000	384,000		138,600	0/ 90,000		14,227
	2002	800,000	240,000		174,000	21,000/ 52,000		13,496
	2001	762,500	300,000		261,000	25,000/ 65,000		15,630
R.M. Garneau Executive Vice President and Chief Financial Officer	2003	470,000	169,000		77,715	0/ 51,000		13,516
	2002	470,000	118,000		101,500	12,000/ 29,000		23,655
	2001	450,000	150,000		163,125	12,500/ 40,000		25,056

J.H. Lubenstein					
President,	2003	325,000	65,000	51,480	0/14,366
Kaman					34,000
Aerospace	2002	325,000	65,000	72,500	9,000/7,766
Corporation					22,000
	2001	300,000	160,000	406,875	45,000/2,875
					45,000
<hr/>					
T.J. Cahill	2003	295,000	74,000	44,550	0/16,431
President,					29,200
Kaman	2002	280,000	56,000	58,000	7,000/12,230
Industrial					18,000
Technologies	2001	280,000	90,000	97,875	9,000/15,077
Corporation					20,000
<hr/>					
R.H. Saunders Jr.					
President,	2003	255,000	198,000	58,410	0/18,083
Kaman Music					38,300
Corporation	2002	245,000	196,000	50,750	6,000/18,383
					15,000
	2001	235,000	85,000	81,563	8,000/15,681
					15,000

1. As of December 31, 2003, aggregate restricted stock holdings and their year end value were: P.R. Kuhn, 49,200 shares valued at \$683,388; R.M. Garneau, 23,050 shares valued at \$320,165; J.H. Lubenstein, 24,200 shares valued at \$336,138; T.J. Cahill, 13,400 shares valued at \$186,126; and R.H. Saunders, Jr., 14,100 shares valued at \$195,849. Restrictions lapse at the rate of 20% per year for all awards, beginning one year after the grant date provided recipient remains an employee of the corporation or a subsidiary. Awards reported in this column are as follows: P.R. Kuhn, 14,000 shares in 2003, 12,000 shares in 2002, and 16,000 shares in 2001; R. M. Garneau, 7,850 shares in 2003, 7,000 shares in 2002, and 10,000 shares in 2001; J.H. Lubenstein, 5,200 shares in 2003, and 5,000 shares in 2002, and 25,000 shares in 2001; T. J. Cahill, 4,500 shares in 2003, 4,000 shares in 2002, and 6,000 shares in 2001; R. H. Saunders, Jr., 5,900 shares in 2003, 3,500 shares in 2002, and 5,000 in 2001. Dividends are paid on the restricted stock.

2. Amounts reported in this column consist of: P.R. Kuhn, \$7,907 — Senior executive life insurance program ("Executive Life"), \$5,000 — employer matching contributions to the Kaman Corporation Thrift and Retirement Plan (the "Thrift Plan employer match"); \$1,320 — medical expense reimbursement program ("MERP"); R.M. Garneau, \$6,545 — Executive Life, \$851 — Officer 162 Insurance Program, \$5,000 — Thrift Plan employer match, \$1,120 — MERP; J. H. Lubenstein, \$3,761 — Executive Life, \$5,000 — Thrift Plan employer match, \$4,750 — all supplemental employer contributions under the Kaman Corporation Deferred Compensation Plan ("supplemental employer contributions"), \$855 — MERP; T. J. Cahill, \$3,448 — Executive Life, \$5,000 — Thrift Plan employer match, \$3,758 — MERP, \$4,225 — supplemental employer contributions; R.H. Saunders, Jr., \$7,247 — Executive Life, \$5,000 Thrift Plan employer match, \$2,438 — MERP, \$3,398 — supplemental employer contributions.

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

				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term*		
Individual Grants						
(a)	(b)	(c)	(d)	(e)	(f)	(g)
	% of Total Options/ SARs**	Options/ Granted to SARs** Employees	Exercise or Granted in Fiscal	Base Price	Expiration	
Name	(#)	Year	(\$/Sh)	Date	5%(\$)	10%(\$)
P. R. Kuhn	0/ 90,000	0/ 28.64	9.9000	2/25/13	560,345	1,420,025
R. M. Garneau	0/ 51,000	0/ 16.23	9.9000	2/25/13	317,529	804,681
J. H. Luben stein	0/ 34,000	0/ 10.82	9.9000	2/25/13	211,686	536,454
T. J. Cahill	0/ 29,200	0/ 9.29	9.9000	2/25/13	181,801	460,719
R. H. Saunders	0/ 38,300	0/ 12.19	9.9000	2/25/13	238,458	604,299

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

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

Options and SARs relate to the corporation's Class A common stock and generally vest at the rate of 20% per year, beginning one year after the grant date provided the recipient remains an employee of the corporation or a subsidiary.

~~D) STOCK OPTION EXERCISES IN THE LAST FISCAL YEAR, AND  
FISCAL YEAR END OPTION VALUES.~~

		Number of Shares under lying Unexercised options		Value of Unexercised in the money options*
		Shares acquired on	Value at FY end (#)	at FY end (\$)
Name	Exercise(#)	Value realized	exercisable/ unexercisable	exercisable/ unexercisable
(a)	(b)	(c)	(d)	(e)

P. R. Kuhn none 106,200/59,800 \$42,930/28,620

R. M. Garneau none 38,100/22,900 \$27,865/14,310

J. H. Lubenstein	none	19,800/34,200	0/	0
T. J. Cahill	none	47,600/22,300	\$69,137/	8,586
R. H. Saunders	none	23,800/13,200	\$25,344/	8,586

~~\*Difference between the 12/31/03 Fair Market Value and the exercise price.~~

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~~STOCK APPRECIATION RIGHT ("SAR") EXERCISES IN THE LAST FISCAL YEAR  
AND YEAR-END SAR VALUES.~~

		Value of	
		Number of	Unexercised
		Unexercised	in the money
		SARs	SARs*
		at FY end (#)	at FY end (\$)
		acquired on	Value
		Exercise(#)	realized
Name	Exercise(#)	exercisable/	exercisable/
(a)	(b)	unexercisable	unexercisable
(a)	(b)	(c)	(d)
(a)	(b)	(c)	(e)

P. R. Kuhn	none	none	210,000/226,600	\$107,325/430,650
R. M. Garneau	none	none	101,300/116,200	\$ 80,395/246,420
J. H. Lubenstein	none	none	22,400/ 78,600	0/ 135,660
T. J. Cahill	none	none	90,100/ 64,600	\$ 64,198/137,973
R. H. Saunders	none	none	19,000/ 64,300	\$ 22,465/167,127

~~\*Difference between the 12/31/03 Fair Market Value and the exercise price(s).~~

~~E) LONG TERM INCENTIVE PLAN AWARDS:~~

~~Estimated future payouts under non stock  
price based plans (1)~~

<del>( a )</del>	<del>( b )</del>	<del>( c )</del>	<del>( d )</del>	<del>( e )</del>	<del>( f )</del>
<del>Name</del>	<del>Number of Shares Units or Other Rights</del>	<del>Performance or other period until maturation or payout</del>	<del>Threshold (\$)</del>	<del>Target (\$)</del>	<del>Maximum (\$)</del>
<del>P.R. KUHN</del>	<del>0</del>	<del>24 months</del>	<del>0</del>	<del>880,000</del>	<del>1,760,000</del>
<del>R.M. GARNEAU</del>	<del>0</del>	<del>24 months</del>	<del>0</del>	<del>376,000</del>	<del>752,000</del>
<del>J.H. LUBENSTEIN</del>	<del>0</del>	<del>24 months</del>	<del>0</del>	<del>211,000</del>	<del>423,000</del>
<del>T.J. CAHILL</del>	<del>0</del>	<del>24 months</del>	<del>0</del>	<del>192,000</del>	<del>384,000</del>
<del>R. H. SAUNDERS, JR</del>	<del>0</del>	<del>24 months</del>	<del>0</del>	<del>166,000</del>	<del>332,000</del>

~~1. Payouts will generally be made in cash, however, up to one third of the payment may be made in stock at the discretion of the Kaman Corporation Board of Directors' Personnel and Compensation Committee. The executive may request the Committee to approve a greater percentage of the payout to be made in stock.~~

~~The long term incentive program (LTIP) was added to the corporation's Stock Incentive Plan features effective with calendar year 2003. The Kaman LTIP measures and rewards the comparative financial performance on average return on total capital (40%), growth in earnings per share (40%), and total return to shareholders (20%) over the performance period, which is generally three years. Kaman's performance is compared to that of the Russell 2000 companies. Each participant is assigned a target award expressed as a percent of base salary that varies with organizational level. A two year transition award was made in 2003, the implementation year. The award, if any, for 2003 would be paid in 2005. The LTIP will pay target awards if performance is at the 50th percentile of the Russell 2000. If relative company performance is below the 25th percentile of the Russell 2000, no award will be paid. Should relative performance be at the 75th percentile or higher, of the Russell 2000, the maximum~~

~~award of 200% of target will be paid. Prorated awards will be paid for performance levels between the 25th and 75th percentiles.~~

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

PENSION PLAN TABLE					
Years of Service					
Remuneration*	15	20	25	30	35
125,000	32,337	43,332	53,679	64,674	64,674
150,000	39,837	53,382	66,129	79,674	79,674
175,000	47,337	63,432	78,579	94,674	94,674
200,000	54,837	73,482	91,029	109,674	109,674
225,000	62,337	83,532	103,479	124,674	124,674
250,000	69,837	93,582	115,929	139,674	139,674
300,000	84,837	113,682	140,829	169,674	169,674
350,000	99,837	133,782	165,729	199,674	199,674
400,000	114,837	153,882	190,629	229,674	229,674
450,000	129,837	173,982	215,529	259,674	259,674
500,000	144,837	194,082	240,429	289,674	289,674
750,000	219,837	294,582	364,929	439,674	439,674
1,000,000	294,837	395,082	489,729	589,674	589,674
1,250,000	369,837	495,582	613,929	739,674	739,674
1,500,000	444,837	596,082	738,429	889,674	889,674
1,750,000	519,837	696,582	862,929	1,039,674	1,039,674
2,000,000	594,082	797,082	988,429	1,189,674	1,189,674

\*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 includes salary (including 401(k) and Section 125/129 Plan contributions but not deferrals under a non-qualified Deferred Compensation Plan), bonus and taxable income attributable to restricted stock awards, stock appreciation rights, and the cash out of employee stock options. Salary and bonus amounts for the named executive officers for 2003 are as

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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. Lubenstein, \$473,216.

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

The executive officers named in Item 11(b) are participants in the Pension Plan and as of December 31, 2003, had the number of years of credited service indicated: Mr. Kuhn 10.0; Mr. Garneau 22.5 years; Mr. Lubenstein 4.63 years; Mr. Cahill 28.7 years; Mr. Saunders 8.0 years.

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

G) COMPENSATION OF DIRECTORS. Effective January 1, 2004, non-employee members of the Board of Directors of the corporation receive an annual retainer of \$35,000, a fee of \$1,500 for attending each meeting of the Board and a fee of \$1,200 for attendance at each meeting of a standing Committee of the Board. From time to time, the Board of Directors may establish a special committee for a limited time and purpose. Fees paid for service of special committees are generally consistent with fees paid for service on standing committees, except that special committee members may also receive compensation for service beyond attendance at meetings, most recently at the rate of \$1,000 per day up to a maximum equal to the current annual retainer applicable to the Board of Directors. The Chairman of each committee receives a fee of \$1,600 for attending each meeting of



that Committee and an annual retainer as follows: ~~Audit, \$7,500; Personnel and Compensation, \$5,000; Finance and Governance, each \$3,000. The Vice Chairman is entitled to a fee of \$3,000 per meeting when serving as the Chairman. Such fees may be received on a deferred basis. The Lead Director receives an annual retainer equal to \$5,000. In addition, each non-employee director will receive a Restricted Stock Award for 1,000 shares (issued pursuant to the corporation's 2003 Stock Incentive Plan), providing for immediate vesting upon election as a director at the corporation's 2004 Annual Meeting of Shareholders.~~

~~H) EMPLOYMENT CONTRACTS AND TERMINATION, SEVERANCE AND CHANGE OF CONTROL ARRANGEMENTS. The corporation has entered into~~

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

~~Following his retirement from regular employment effective December 31, 2001, the corporation entered into an agreement with Walter Kozlow retaining him as a consultant for a period of two years at an annual rate of \$242,500. This agreement expired on December 31, 2003. A copy of such agreement was attached to the corporation's Form 10-Q filed with the Securities and Exchange Commission on August 14, 2001.~~

~~Except as disclosed in Item 13, and except as described above or in connection with the corporation's Pension Plan, Supplemental Employees' Retirement Plan, 2003 Stock Incentive Plan and the non-qualified Deferred Compensation Plan, the corporation has no other employment contract, plan or arrangement with respect to any named executive officer which relates to employment termination for any reason, including resignation, retirement or otherwise, or a change in control of the corporation or a change in any such executive officer's responsibilities following a change of control, which exceeds or could exceed \$100,000.~~

~~I) Not Applicable.~~

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

~~1) The following persons served as members of the Personnel and Compensation Committee of the Corporation's Board of Directors~~

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~~during the last fiscal year: Brian E. Barents, E. Reeves Callaway, III, Edwin A. Huston, Wanda L. Rogers, and Richard J. Swift.~~

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

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

~~K) Not Applicable.~~

~~L) Not Applicable.~~

~~ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND  
MANAGEMENT AND RELATED STOCKHOLDER MATTERS~~

~~(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.~~

		Number of Shares	
Class of		Beneficially Owned	
Common	Name and Address	as of February 1,	Percentage
Stock	Beneficial Owner	2004	of Class

Class B	Charles H. Kaman	258,375(1),(2)	38.69%
	Kaman Corporation		
	1332 Blue Hills Avenue		
	Bloomfield, CT 06002		

	Holder of Mr. Kaman's	(2)	
	Power of Attorney		
	c/o John C. Yavis, Jr.		
	Murtha Cullina LLP		
	CityPlace I		
	185 Asylum Street		
	Hartford, CT 06105		

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Class B	Newgate Associates	199,802(3),(4)	29.91%
	Limited Partnership		
	c/o Murtha Cullina, LLP		
	CityPlace I		
	185 Asylum Street		
	Hartford, CT 06103		

	Voting Trustees pursuant	(4)	
	to a Voting Trust		
	Agreement, dated as of		
	August 14, 2000		
	c/o John C. Yavis, Jr.		
	Murtha Cullina LLP		
	CityPlace I		
	185 Asylum Street		
	Hartford, CT 06105		

Class B	C. William Kaman, II	64,446(5)	9.65%
	5367 Florence Point Drive		
	Fernandina Beach, FL 32034		

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

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

~~(2) The power to vote Mr. Kaman's shares of Class B common stock is shared through a durable power of attorney (the "Power of Attorney") with certain individuals who have the authority to~~

~~vote Mr. Kaman's shares by majority vote. These individuals are: John S. Murtha, a director emeritus of the corporation and of counsel to the Hartford, Connecticut law firm, Murtha Cullina LLP, counsel to the corporation, Robert M. Garneau, Executive Vice President and Chief Financial Officer of the corporation, Roberta C. Kaman, Mr. Kaman's wife, C. William Kaman II, Mr. Kaman's son and a director and Vice Chairman of the Board of the corporation, Steven W. Kaman, Mr. Kaman's son, and Cathleen H. Kaman Wood, Mr. Kaman's daughter.~~

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

~~(4) The power to vote the shares of Newgate Associates Limited Partnership is currently vested in ten voting trustees (the "Voting Trustees") under the Voting Trust, which has a term~~

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~~of ten (10) years, subject to renewal. The Voting Trustees consist of the six (6) individuals identified in footnote (2) above and the following four (4) individuals: T. Jack Cahill, President of Kaman Industrial Technologies Corporation, a subsidiary of the corporation, Paul R. Kuhn, Chairman, President, and Chief Executive Officer of the corporation, Wanda L. Rogers, director of the corporation, and John C. Yavis, Jr., of counsel to Murtha Cullina LLP, counsel to the corporation.~~

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

~~(6) This information was current as of January 31, 2003 and includes 39,696 shares held by a partnership controlled by Mr. Moses.~~

~~(b) SECURITY OWNERSHIP OF MANAGEMENT. The following is information concerning beneficial ownership of the corporation's stock by each Director 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	Number of Shares		
	Class of Common Stock	Beneficially Owned as of February 1, 2004	Percentage of Class
Brian E. Barents	Class A	3,500	*
T. Jack Cahill	Class A	109,756(1)	*
E. Reeves Callaway	Class A	3,500	*
John A. DiBiaggio	Class A	3,500	*
Robert M. Garneau	Class A	123,016(2)	*
	Class B	24,404	3.48%
Edwin A. Huston	Class A	1,500	*
C. William Kaman, II	Class A	60,888(3)	*
	Class B	64,446(4)	9.65%
Paul R. Kuhn	Class A	258,363(5)	*
	Class B	3,288	*
Eileen S. Kraus	Class A	4,580	*
Joseph H. Lubenstein	Class A	56,800(6)	*
Walter H. Monteith, Jr.	Class A	3,700	*
Wanda L. Rogers	Class A	3,500	*
Robert H. Saunders, Jr.	Class A	57,961(7)	*
	Class B	720	*
Richard J. Swift	Class A	1,500	*
All Directors and Executive Officers as a group **	Class A	903,164(8)	4.10%
	Class B	94,020	14.08%

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~~\* Less than one percent.~~  
~~\*\* Excludes 22,400 Class A shares held by spouses of certain~~  
~~Directors and executive officers.~~

- ~~(1) Includes 53,500 shares subject to stock options exercisable or which will become exercisable within 60 days.~~
- ~~(2) Includes 46,800 shares subject to stock options exercisable or which will become exercisable within 60 days.~~
- ~~(3) Excludes 89,891 shares held by Mr. Kaman as Trustee, in which shares Mr. Kaman disclaims any beneficial ownership.~~
- ~~(4) Excludes 4,800 shares held by Mr. Kaman as Trustee in which shares Mr. Kaman disclaims any beneficial ownership.~~
- ~~(5) Includes 119,400 shares subject to stock options exercisable or which will become exercisable within 60 days. Includes 17,250 shares held jointly with spouse.~~
- ~~(6) Includes 21,600 shares subject to stock options exercisable or which will become exercisable within 60 days.~~
- ~~(7) Includes 29,000 shares subject to stock options exercisable or which will become exercisable within 60 days.~~
- ~~(8) Includes 380,700 shares subject to stock options which will become exercisable within 60 days.~~

~~SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS:-~~

			Number of
			securities
			remaining
			available for
			future issuance
			under equity
			compensation
			plans
			(excluding
			securities
			reflected in
Plan Category	rights	and rights	column (a))
	(a)	(b)	(c)

~~Equity compensation plans approved by security holders:-~~

~~1993 Stock Incentive~~

Plan	1,275,670	\$ 13.67	
2003 Stock Incentive Plan*			2,000,000
Employees Stock Purchase Plan			735,500
Equity compensation plans not approved by security holders			
Total	1,275,670	\$ 13.67	2,735,500

\*The corporation's 2003 Stock Incentive Plan was adopted by the Board of Directors effective November 1, 2003, and was further amended on February 17, 2004. The 2003 Stock Incentive Plan, and the awards made thereunder to date, are subject to approval by the corporation's Class B shareholders at the Annual Meeting of Shareholders scheduled to be held on April 20, 2004. The 2003 Stock Incentive Plan provides for the grant of stock options, stock appreciation rights, restricted stock awards and long term performance based awards. A total of 2,000,000 shares of the corporation's Class A common stock has been reserved for issuance

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under the 2003 Stock Incentive Plan, in addition to shares underlying any award under a predecessor plan. A copy of the 2003 Stock Incentive Plan is filed with this report as Exhibit 10a.

#### ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During 2003, the corporation obtained legal services in the amount of \$525,272 from the Hartford, Connecticut law firm of Murtha Cullina LLP of which Mr. John S. Murtha and Mr. John C. Yavis, Jr. are of counsel. Mr. Murtha, a director emeritus of the corporation, is currently one of six holders of a power of attorney described in footnote (2) to the table entitled "Security Ownership of Certain Beneficial Owners", and a voting trustee of the Voting Trust described in footnote (4) of such table. Mr. Yavis currently serves as a voting trustee of the Voting Trust and as the general partner of Newgate Associates Limited Partnership.

#### ITEM 14. Principal Accounting Fees and Services

Following is a summary of KPMG LLP fees for professional services in fiscal years ended December 31, 2003 and 2002:

	(in thousands)	
Fee Category	2003 Fees	2002 Fees
Audit Fees	\$ 562.8	\$ 559.3
Audit Related Fees	21.0	60.4
Tax Fees	218.2	131.2
All Other Fees	9.8	
Total Fees	\$ 811.8	\$ 750.9
	=====	=====

Audit Fees relate to services rendered for the audit of the corporation's consolidated financial statements and review of the interim consolidated financial statements included in quarterly reports and services normally provided by KPMG in connection with statutory and regulatory filings or engagements.

Audit Related Fees relate to assurance and related services that are reasonably related to performance of the audit or review of the corporation's consolidated financial statements and which are not reported under "Audit Fees". These services have included employee benefit plan audits and consultations in connection with

~~acquisitions.~~

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~~Tax Fees relate to tax compliance, tax advice, and tax planning services, including assistance with federal, state and international tax compliance, tax audit defense, acquisitions and international tax planning.~~

~~All Other Fees relate to products and services other than those described above.~~

~~The Audit Committee's policy is to pre-approve all audit, non audit, tax and other fees to be paid to its independent auditor. The Chairman of the Committee has been authorized by the Committee to pre-approve KPMG proposals up to twenty thousand dollars per service item, subject to the full Committee's approval at a subsequent meeting. Pre-approvals are specific as to the particular service that is proposed and each service is generally subject to a budget.~~

#### ~~PART IV~~

#### ~~ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K~~

##### ~~(a)(1) FINANCIAL STATEMENTS.~~

~~See Item 8 concerning financial statements appearing as Exhibit 13 to this report.~~

##### ~~(a)(2) FINANCIAL STATEMENT SCHEDULES.~~

~~An index to the financial statement schedules immediately precedes such schedules.~~

##### ~~(a)(3) EXHIBITS.~~

~~An index to the exhibits filed or incorporated by reference immediately precedes such exhibits.~~

~~(b) REPORTS ON FORM 8-K: The following reports on Form 8-K were filed with the Securities and Exchange Commission since January 1, 2003:~~

~~(b) (1) January 15, 2003, File No. 333-666179, Document No. 0000054381-03-000002 concerning the corporation's sale of its Electromagnetics Division of Kaman Aerospace Corporation.~~

~~(b) (2) April 15, 2003, File No. 333-666179, Document No. 0000054381-03-000081 concerning the corporation's first quarter earnings results.~~

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~~(b) (3) July 22, 2003, File No. 333-666179, Document No. 0000054381-03-000111 concerning the corporation's second quarter earnings results.~~

~~(b) (4) September 9, 2003, File No. 333-666179, Document No. 0000054381-03-000115 concerning the acquisition of Industrial Supplies, Inc.~~

~~(b) (5) October 31, 2003, File No. 333-666179, Document No. 0000054381-03-000121 concerning the corporation's third quarter earnings results.~~

~~(b) (6) January 29, 2004, File No. 333-666179, Document No. 0000054381-04-000006 concerning the move of its 6% Convertible Subordinated Debentures to the OTC Bulletin Board from the Nasdaq Small Cap Market listing.~~

~~(b) (7) February 11, 2004, File No. 333-666179, Document No. 0000054381-04-000029 concerning the financial~~

~~performance for the quarter and year ended December 31,~~  
~~2003.~~

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~~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 5th day of March, 2004.~~

~~KAMAN CORPORATION~~  
~~(Registrant)~~

~~/s/ Paul R. Kuhn~~  
~~By Paul R. Kuhn, Chairman, President~~  
~~and Chief Executive Officer~~

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

~~Signature: Title: Date:~~

~~/s/ Paul R. Kuhn~~  
~~Paul R. Kuhn Chairman, President, and March 5, 2004~~  
~~Chief Executive Officer~~  
~~and Director~~

~~/s/ Robert M. Garneau~~  
~~Robert M. Garneau Executive Vice President March 5, 2004~~  
~~and Chief Financial Officer~~  
~~(Principal Financial and~~  
~~Accounting Officer)~~

~~/s/ Paul R. Kuhn~~  
~~Paul R. Kuhn March 5, 2004~~  
~~Attorney in Fact for:~~

~~Brian E. Barents Director~~  
~~E. Reeves Callaway, III Director~~  
~~John A. DiBiaggio Director~~  
~~Edwin A. Huston Director~~  
~~C. William Kaman, II Director~~  
~~Eileen S. Kraus Director~~  
~~Walter H. Monteith, Jr. Director~~

~~Wanda L. Rogers~~ Director  
~~Richard J. Swift~~ Director

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~~KAMAN CORPORATION AND SUBSIDIARIES~~

~~Index to Financial Statement Schedules~~

~~Report of Independent Auditors~~

~~Financial Statement Schedules:~~

~~Schedule V Valuation and Qualifying Accounts~~

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~~REPORT OF INDEPENDENT AUDITORS~~

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

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

~~Under date of February 6, 2004, we reported on the consolidated  
balance sheets of Kaman Corporation and subsidiaries as of~~



~~December 31, 2003 and 2002 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, 2003, as contained in the 2003 annual report to shareholders. These consolidated financial statements and our report thereon are included in the annual report on Form 10-K for 2003. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related consolidated financial statement schedule as listed in the accompanying index. This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement schedule based on our audits.~~

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

~~/s/ KPMG LLP~~

~~Hartford, Connecticut  
February 6, 2004~~

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

~~YEAR ENDED DECEMBER 31, 2003~~

~~Additions~~

	BALANCE	CHARGED TO		BALANCE
	JANUARY 1,	COSTS AND		DECEMBER 31,
DESCRIPTION	2003	EXPENSES	OTHERS	DEDUCTIONS 2003
Allowance for doubtful accounts	\$2,853	\$1,507	\$ 150(B)	\$1,170(A) \$3,340
	=====	=====	=====	=====
Accumulated amortization of goodwill	\$1,817	\$ (C)	\$	\$ \$1,817
	=====	=====	=====	=====

~~YEAR ENDED DECEMBER 31, 2002~~

~~Additions~~

	BALANCE	CHARGED TO		BALANCE
	JANUARY 1,	COSTS AND		DECEMBER 31,
DESCRIPTION	2002	EXPENSES	OTHERS	DEDUCTIONS 2002
Allowance for doubtful accounts	\$3,939	\$1,024	\$ 110(B)	\$2,220(A) \$2,853
	=====	=====	=====	=====
Accumulated amortization of goodwill	\$1,817	\$ (C)	\$	\$ \$1,817
	=====	=====	=====	=====

~~YEAR ENDED DECEMBER 31, 2001~~

~~Additions~~

	BALANCE	CHARGED TO		BALANCE
	JANUARY 1,	COSTS AND		DECEMBER 31,

DESCRIPTION	2001	EXPENSES	OTHERS	DEDUCTIONS	2001
Allowance for doubtful accounts	\$4,636	\$ 868	\$277(B)	\$1,842(A)	\$3,939
	=====	=====	=====	=====	=====
Accumulated amortization of goodwill	\$1,708	\$ 109	\$	\$	\$1,817
	=====	=====	=====	=====	=====

(A) Write off of bad debts, net of recoveries.

(B) Additions to allowance for doubtful accounts attributable to acquisitions.

(C) In accordance with FASB 142, no amortization expense for goodwill has been recorded in 2003.

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KAMAN CORPORATION

INDEX TO EXHIBITS

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

Exhibit 3b The By Laws of the corporation attached  
as amended on February 17, 2004.

Exhibit 4a Indenture between the corporation by reference  
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.

Exhibit 4b Revolving Credit Agreement by reference  
between the corporation and The  
Bank of Nova Scotia and Fleet  
National Bank as Co-Administrative  
Agents and Bank One, N.A. as the  
Documentation Agent and The Bank of  
Nova Scotia and Fleet Securities, Inc.  
as the Co-Lead Arrangers and Various  
Financial Institutions dated as of  
November 13, 2000 filed as Exhibit 4  
to form 10-Q filed with the Securities  
and Exchange Commission on November 14,  
2000, Document No. 0000054381-00-500006,  
as amended by Document No. 0000054381-02-  
000022 filed on August 14, 2002, as amended  
by Document No. 0000054381-03-000124, filed  
on November 5, 2003.

Exhibit 4c Credit Agreement between the by reference  
corporation, RWG Frankenjura-  
Industrie Flugwerklager GmbH, and  
Wachovia Bank, N.A., dated July 29,  
2002, as amended by Document No.-  
0000054381-02-000022 filed on August 14,  
2002, as amended by Document No.-

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0000054381-03-000124, filed on  
November 5, 2003. Schedules and  
Exhibits to the Credit Agreement,  
which are listed in its Table of Contents,  
are omitted but will be provided to the

~~Commission upon request.~~

~~Exhibit 10a The Kaman Corporation 2003 Stock attached  
Incentive Plan effective November 1,  
2003, as amended effective February  
17, 2004.~~

~~Exhibit 10b The Kaman Corporation Employees by reference  
Stock Purchase Plan as amended  
effective November 19, 1997 has been  
filed as an exhibit to the Corporation's  
Form 10 K Document No. 0000054381 98 09  
filed with the Securities and  
Exchange Commission on March 16, 1998,  
as amended by Document No. 0000054381 98 13  
filed on March 27, 1998.~~

~~Exhibit 10c Fifth Amendment to Kaman attached  
Corporation Supplemental  
Employees' Retirement Plan. The  
Plan, as previously amended has  
been filed as an exhibit to  
the Corporation's Form 10 K,  
Document No. 0000054381 02 000005  
filed with the Securities and Exchange  
Commission on March 14, 2002.~~

~~Exhibit 10d First Amendment to Kaman attached  
Corporation Amended and Restated  
Deferred Compensation Plan (Effective  
as of November 12, 2002, except where  
otherwise indicated). The Amended and  
Restated Plan has been filed as an  
Exhibit to the corporation's Form 10 K  
Document No. 0000054381 03 000079 filed  
with the Securities and Exchange  
Commission on March 26, 2003.~~

~~Exhibit 10e(i) Kaman Corporation Cash Bonus Plan by reference  
(Amended and Restated Effective as  
of January 1, 2002) and First  
Amendment thereto was filed as an  
exhibit to the Corporation's Form 10 K  
Document No. 0000054381 02 000005,  
filed with the Securities and Exchange  
Commission on March 14, 2002. The  
Second Amendment to Kaman Corporation~~

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~~Cash Bonus Plan (Amended and  
Restated Effective as of January 1,  
2002) has been filed as an Exhibit  
to the corporation's Form 10 K  
Document No. 0000054381 03 000079 filed  
with the Securities and Exchange  
Commission on March 26, 2003.~~

~~Exhibit 10f Notice of change of control by reference  
filed as Exhibit 99 to the  
corporation's Form 8 K dated  
August 16, 2000 as Document  
No. 54381 00 000010.~~

~~Exhibit 10g (i) Amendment No. 1 to Amended and attached  
Restated Employment Agreement  
between Paul R. Kuhn and Kaman  
Corporation, dated as of September  
11, 2001.~~

~~Exhibit 10g(ii) Amendment No. 2 to Amended and attached  
Restated Employment Agreement  
between Paul R. Kuhn and Kaman  
Corporation, dated as of February  
17, 2004.~~

~~Exhibit 10g(iii) Second Amended and Restated attached  
Change in Control Agreement  
between Paul R. Kuhn and Kaman  
Corporation, dated as of November~~

~~11, 2003.~~

~~Exhibit 10g(iv) Amendment No. 1 to Amended and attached  
Restated Employment Agreement  
between Candace A. Clark and  
Kaman Corporation, dated as of  
February 17, 2004.~~

~~Exhibit 10g (v) Amendment No. 1 to Amended and attached  
Restated Employment Agreement  
between Ronald M. Galla and Kaman  
Corporation, dated as of February  
17, 2004.~~

~~Exhibit 10g (vi) Amendment No. 1 to Amended and attached  
Restated Employment Agreement  
between Robert M. Garneau and  
Kaman Corporation, dated as of  
February 17, 2004.~~

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~~Exhibit 10g (vii) Amendment No. 1 to Amended and attached  
Restated Employment Agreement  
between T. Jack Cahill and Kaman  
Industrial Technologies Corporation,  
dated as of February 17, 2004.~~

~~Exhibit 10g (viii) Amendment No. 2 to Amended and attached  
Restated Employment Agreement  
between Joseph H. Lubenstein and  
Kaman Aerospace Corporation, dated  
as of February 17, 2004.~~

~~Exhibit 10g (ix) Amendment No. 1 to Amended and attached  
Restated Employment Agreement  
between Robert H. Saunders, Jr.  
and Kaman Music Corporation,  
dated as of February 17, 2004.~~

~~Exhibit 10g (x) Second Addendum to Change in attached  
Control Agreement between  
Candace A. Clark and Kaman  
Corporation, dated as of November  
11, 2003.~~

~~Exhibit 10g (xi) Second Addendum to Change in attached  
Control Agreement between  
Ronald M. Galla and Kaman  
Corporation, dated as of  
November 11, 2003.~~

~~Exhibit 10g (xii) Second Addendum to Change attached  
in Control Agreement between  
Robert M. Garneau and Kaman  
Corporation, dated as of  
November 11, 2003.~~

~~Exhibit 10g (xiii) Second Addendum to Change in attached  
Control Agreement between T. Jack  
Cahill and Kaman Industrial  
Distribution Corporation, dated  
as of November 11, 2003.~~

~~Exhibit 10g (xiv) Second Addendum to Change in attached  
Control Agreement between Joseph  
H. Lubenstein and Kaman Aerospace  
Corporation, dated as of November  
11, 2003.~~

~~Exhibit 10g (xv) Second Addendum to Change in attached  
Control Agreement between  
Robert H. Saunders, Jr. and  
Kaman Music Corporation, dated  
as of November 11, 2003.~~

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~~Exhibit 10g (xvi) Employment Agreement between~~ attached  
~~Russell H. Jones and Kaman~~  
~~Corporation, dated as of February~~  
~~17, 2004.~~

~~Exhibit 10g (xvii) Change in Control Agreement~~ attached  
~~between Russell H. Jones and~~  
~~Kaman Corporation, dated as of~~  
~~November 11, 2003.~~

~~Exhibit 11 Statement regarding computation~~ attached  
~~of per share earnings.~~

~~Exhibit 13 Portions of the Corporation's~~ attached  
~~2003 Annual Report to~~  
~~Shareholders as required by~~  
~~Item 8.~~

~~Exhibit 14 Kaman Corporation Code of~~ attached  
~~Business Conduct.~~

~~Exhibit 21 Subsidiaries.~~ attached

~~Exhibit 23 Consent of Independent Auditors~~ attached

~~Exhibit 24 Power of attorney under which~~ attached  
~~this report has been signed on~~  
~~behalf of certain directors.~~

~~Exhibit 31.1 Certification of Chief Executive~~ attached  
~~Officer Pursuant to Rule 13a-14~~  
~~under the Securities and Exchange~~  
~~Act of 1934.~~

~~Exhibit 31.2 Certification of Chief Financial~~ attached  
~~Officer Pursuant to Rule 13a-14~~  
~~under the Securities and Exchange~~  
~~Act of 1934.~~

~~Exhibit 32.1 Certification of Chief Executive~~ attached  
~~Officer Pursuant to 18 U.S.C.~~  
~~Section 1350, as adopted pursuant~~  
~~to Section 906 of the Sarbanes-~~  
~~Oxley Act of 2002.~~

~~Exhibit 32.2 Certification of Chief Financial~~ attached  
~~Officer Pursuant to 18 U.S.C.~~  
~~Section 1350, as adopted pursuant~~  
~~to Section 906 of the Sarbanes-~~  
~~Oxley Act of 2002.~~

~~— EXHIBIT 3b~~

~~\_\_\_\_\_ KAMAN CORPORATION  
\_\_\_\_\_ BY LAWS~~

~~\_\_\_\_\_ ARTICLE I  
\_\_\_\_\_ Offices  
\_\_\_\_\_~~

~~1. The principal office of this corporation shall be at such place in the Town of Bloomfield in the State of Connecticut as the Directors shall from time to time designate. The corporation may have such other offices within or without the State of Connecticut as the Directors may from time to time determine.~~

~~\_\_\_\_\_ ARTICLE II  
\_\_\_\_\_ Meeting of Stockholders  
\_\_\_\_\_~~

~~1. PLACE OF MEETINGS. All meetings of the stockholders shall be held at the principal office or place of business of the corporation, or at such place within or without the State of Connecticut as from time to time may be designated by resolution of the Board of Directors.~~

~~2. ANNUAL MEETINGS. The annual meetings of the stockholders~~

~~shall be held on such day, other than a legal holiday, in the month of March or April of each year and at such time and place as may be designated by the Board of Directors. The purpose of such meeting shall be the election of a Board of Directors by ballot and the transaction of such other business as may properly come before such meeting. If the annual meeting of the stockholders be not held as herein prescribed, the election of directors may be held at any meeting thereafter called pursuant to these by laws or otherwise lawfully held.~~

~~3. NOTICE OF ANNUAL MEETING. A notice setting out the day, hour and place of such annual meeting shall be mailed, postage prepaid, to each stockholder of record at his address as the same appears on the stock book of the corporation, or if no such address appears, at his last known address, not less than seven (7) days nor more than fifty (50) days before such annual meeting. Such notice shall also state any proposed amendment or repeal of the by laws of the corporation and any other proposed matter other than the election of directors which, under the Connecticut Stock Corporation Law, expressly requires the vote of stockholders.~~

~~4. ADJOURNMENT OF STOCKHOLDERS' MEETING. If a quorum is not present at any meeting of the stockholders, the stockholders present, in person or by proxy, may adjourn such meeting to such future time as shall be agreed upon by them, and notice of such adjournment shall be given to the stockholders not present or~~

~~Page 1~~

~~represented at the meeting; but if a quorum be present, the stockholders present may adjourn from day to day as they see fit, and no notice of such adjournment need be given.~~

~~5. SPECIAL MEETINGS. Special Meetings of the stockholders may be called at any time by the President or by resolution of the Board of Directors. A special meeting of the stockholders shall be called by the President upon the request of any two (2) directors or upon the written request of one (1) or more stockholders holding in the aggregate at least one tenth (1/10) of the total number of shares entitled to vote at such meeting. The Secretary shall mail a notice of such meeting to each stockholder of record not less than seven (7) days nor more than fifty (50) days before such meeting, and such notice shall state the day, hour and place of such meeting and the purpose thereof.~~

~~6. WAIVER OF NOTICE. Notice of any stockholders' meeting may be waived in writing by all the stockholders, and if any stockholder present at a stockholders' meeting does not protest the lack of proper notice prior to or at the commencement of the meeting, he shall be deemed to have waived notice of such meeting.~~

~~7. SHAREHOLDERS' CONSENT. Any resolution in writing approved and signed by all the stockholders or their proxies or attorneys shall have the same force and effect as if it were a vote passed by all the stockholders at a meeting duly called and held for that purpose. In addition, actions taken at any meeting of stockholders however called and with whatever notice given, if any, shall be as valid as though taken at a meeting duly called and held on notice, if:~~

~~— (1) All stockholders entitled to vote were present in person or by proxy and no objection to holding the meeting was made by any stockholder; or~~

~~— (2) A quorum was present, either in person or by proxy, and no objection to holding the meeting was made by any stockholder entitled to vote so present, and if, either before or after the meeting, each of the persons entitled to vote not present in person or by proxy signs a written waiver of notice, or a consent to the holding of the meeting or an approval of the action. The Secretary shall record all such resolutions, waivers, consents and approvals in the minute book of the corporation.~~

~~8. QUORUM. A majority of the stock issued and outstanding, either in person or by proxy, shall constitute a quorum for the transaction of business at any meeting of the stockholders; except that if no quorum be present, a majority of the stockholders present in person or by proxy may adjourn the meeting to such time as they may determine. Notice of any such adjournment shall be given to the stockholders not present or~~

~~represented at such meeting.~~

~~Page 2~~

~~9. PROXIES. At all meetings of the stockholders any stockholder entitled to vote may vote either in person or by proxy. Such proxy shall be in writing, but need not be sealed, witnessed or acknowledged, and shall be filed with the Secretary before the meeting or before being voted.~~

~~10. NUMBER OF VOTES OF EACH STOCKHOLDER. Each stockholder, whether represented in person or by proxy, shall be entitled to one (1) vote for each share of stock standing in his own name on the books of this corporation on the record date.~~

~~11. VOTING. In the election of directors and in voting on any question on which a vote by ballot is required by law or is demanded by any stockholder, the voting shall be by ballot; on all other questions it may be viva voce.~~

~~12. RECORD DATE. For the purpose of determining which stockholders are entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or which stockholders are entitled to receive payment of any dividend or for any other proper purpose, the Board of Directors, and in the absence of their action the Secretary of the corporation or any other person lawfully acting, shall set a record date which shall not be any earlier than the date on which the Board of Directors, the Secretary or such other authorized party acts to set such record date, no more than seventy (70) nor less than ten (10) days before the particular event requiring such determination of stockholders is to occur.~~

### ~~ARTICLE III~~

#### ~~Directors~~

~~1. NUMBER, ELECTION AND TERM OF OFFICE. The property, business and affairs of the corporation shall be managed by a Board of Directors composed of not less than three nor more than fifteen directorships in number, which directorships need not be filled by persons who are stockholders. The actual number of directorships shall be fixed by the incorporators and subscribers at their first meeting, and thereafter as the Board of Directors may determine. The first Board of Directors shall be elected at the organizational meeting of the corporation. Thereafter the directors shall be elected by ballot by the stockholders at their annual meeting and shall hold office until the next annual meeting and until their successors shall be chosen and qualified in their stead. (Amended Effective 4/18/94)~~

~~2. VACANCIES. Any vacancy in the Board of Directors by reason of death, resignation or other cause may be filled for the unexpired portion of the term by a concurring vote of a majority of the remaining directors in office, or by action of the sole~~

~~Page 3~~

~~remaining director in office, though such remaining directors are less than a quorum, though the number of directors at the meeting to fill such vacancy are less than a quorum and though such majority is less than a quorum.~~

~~3. POWERS OF DIRECTORS. The directors shall have the general management and control of the property, business and affairs of this corporation and shall exercise all the powers that may be exercised or performed by this corporation under the statutes, its Certificate of Incorporation, and these By laws.~~

~~4. PLACE OF MEETINGS. The directors may hold their meetings at such place or places within or without the State of Connecticut as the Board may from time to time determine.~~

~~5. REGULAR MEETINGS. A meeting of the directors for the election of officers and the transaction of any other business that may come before such meeting shall be held without other notice immediately following the organization meeting of the corporation and each annual meeting of the stockholders at the~~



~~place designated therefor.~~

~~6. OTHER MEETINGS. Other meetings of the directors may be held whenever the President or a majority of the directors may deem it advisable, notice thereof to be mailed or given orally to each director at least two (2) days prior to such meeting. (Amended Effective 4/26/88).~~

~~7. WAIVER OF NOTICE. Notice of any directors' meeting may be waived in writing by all the directors and, if any director present at a directors' meeting does not protest prior to or at the commencement of the meeting the lack of proper notice, he shall be deemed to have waived notice of such meeting.~~

~~8. DIRECTORS' CONSENT. Any resolution in writing, approved and signed by all the directors, shall have the same force and effect as if the same were a vote passed by all the directors at a meeting duly called and held for that purpose, and such resolution shall be recorded by the Secretary in the minute book of the corporation.~~

~~9. QUORUM. A majority of the directorships shall constitute a quorum for the transaction of business at all meetings of the Board of Directors, but any number less than a quorum may adjourn such meeting to a specified date. The act of a majority of the directors present at a meeting at which a quorum is present at the time of the act shall be the act of the Board of Directors.~~

~~10. COMPENSATION OF DIRECTORS. Directors as such shall not receive any stated compensation or salary for their services but, by resolution of the Board, a fixed sum and expenses of attendance may be allowed for attendance at each regular or special meeting~~

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~~of the Board, provided, however, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.~~

~~11. COMMITTEES. The Board of Directors may, by resolution adopted by the affirmative vote of directors holding a majority of the directorships, create one or more committees, such as an Executive Committee, comprising in each case two or more directors, which committee or committees shall have and may exercise all such authority of the Board of Directors as may be delegated to it in such resolution or thereafter by similar resolution.~~

~~12. DIRECTOR EMERITUS. The Board of Directors may, from time to time, appoint any former director of the corporation who shall have retired from the board for reasons of age, health or similar reasons, as Director Emeritus of the corporation. A Director Emeritus shall be entitled to attend such meetings of the directors and be compensated therefor as the board may determine.~~

~~13. VICE CHAIRMAN. The Board of Directors may, from time to time, appoint a Vice Chairman of the Board of Directors from among the then serving members of the board who, in the absence or incapacity of the Chairman, shall have the powers and responsibilities of the Chairman with respect to meetings of the Board of Directors and of the Shareholders and shall also assist the Chairman with respect to meetings of the Board of Directors and of the Shareholders as the Chairman may request. The position of Vice Chairman shall not be a corporate office or carry with it any of the powers or responsibilities of any corporate office of the corporation, however, the same individual may simultaneously serve as Vice Chairman and as a corporate officer of the corporation. The Vice Chairman shall serve for a term of one year and until his successor is duly appointed and qualified but may be removed by the Board of Directors at any time with or without cause and with or without notice or hearing. The Vice Chairman may be compensated for his services as such as the board may determine. (Added Effective February 9, 1999)~~

~~14. MANDATORY RETIREMENT AGE. The mandatory retirement age for a director shall be age seventy (70); provided that directors serving on November 14, 2000 shall be eligible to serve until age seventy five (75); and provided further that, Mr. Charles H. Kaman shall not be subject to any age limit (Added effective~~

~~15. CHAIRMAN EMERITUS. The Board of Directors has created the honorary position of Chairman Emeritus of the corporation and has designated Charles H. Kaman the Chairman Emeritus of the Board of~~

~~Page 5~~

~~Directors of the corporation in appreciation of his service as Chairman of the Board of Directors from the inception of the corporation in 1945 to the date of his retirement from the Board of Directors in 2001. Mr. Kaman's appointment as Chairman Emeritus shall endure for the duration of his life during which he shall have the right to attend and observe all meetings of the Board of Directors. (Adopted February 17, 2004)~~

~~ARTICLE IV~~

~~(Amended in its entirety effective 4/24/90)~~

~~Officers~~

~~1. The directors shall elect a Chairman, a President, one or more Vice Presidents, a Treasurer and a Secretary, and may from time to time appoint such other officers as they, the directors, deem expedient. Any two or more offices may be held by the same person except the offices of President and Secretary. The duties of officers of the corporation shall be such as are prescribed by these By laws and as may be prescribed by the directors.~~

~~2. CHAIRMAN. The Chairman shall preside at all meetings of the directors and of the stockholders and unless the directors otherwise determine, he shall be the chief executive officer of the corporation. As Chief Executive Officer, he shall have general control and management of the corporation's business and affairs, subject to the direction of the Board of Directors. He shall consult with and advise the President concerning the operations of the corporation. The Chairman shall perform such additional duties as may be assigned to him from time to time by the Board of Directors.~~

~~3. PRESIDENT. The President shall perform all duties incident to the office of President and shall have full authority and responsibility for the operation of the business of the corporation, subject to the direction of the Board of Directors and the Chief Executive Officer. In the event of the absence or disability of the Chairman, the President shall perform the duties and have the power of the Chairman. The President shall perform such additional duties as may be assigned to him from time to time by the Board of Directors or the Chief Executive Officer.~~

~~4. VICE PRESIDENT. Any Vice President shall have the powers and perform such duties as may be assigned to him by the Board of Directors or the Chief Executive Officer.~~

~~5. SECRETARY. The Secretary shall keep a record of the minutes of the proceedings of all meetings of stockholders and directors and shall issue all notices required by law or by these By laws, and he shall discharge all other duties required of such officer~~

~~Page 6~~

~~by law or designated from time to time by the Board of Directors or by the Chief Executive Officer or as are incident to the office of Secretary. He shall have the custody of the seal of this corporation and all books, records and papers of this corporation, except such as shall be in the charge of the Treasurer or of some other person authorized to have custody and possession thereof by a resolution of the Board of Directors.~~

~~6. TREASURER. The Treasurer shall have charge and custody of and be responsible for all funds and securities of the corporation, keep full and accurate accounts of receipts and disbursements and books belonging to the corporation, deposit all moneys and valuable effects in the name and to the credit of the corporation in depositories designated by the Board of Directors,~~

~~and, in general, perform such other duties as may from time to time be assigned to him by the Board of Directors or by the Chief Executive Officer or as are incident to the office of Treasurer.~~

~~7. TERM OF OFFICE. Each of such officers shall serve for the term of one year and until his successor is duly appointed and qualified, but any officer may be removed by the Board of Directors at any time with or without cause and with or without notice of hearing. Vacancies among the officers by reason of death, resignation or other causes shall be filled by the Board of Directors.~~

~~8. COMPENSATION. The compensation of all officers shall be fixed by the Board of Directors, and may be changed from time to time by a majority vote of the board.~~

~~ARTICLE V~~  
~~Issue and Transfer of Stock~~

~~1. CERTIFICATES. Certificates of stock shall be in form authorized or adopted by the Board of Directors and shall be consecutively numbered, provided that each certificate shall set forth upon its face as at the time of issue: the name of this corporation, a statement that this corporation is organized under the laws of the State of Connecticut, the name of the person to whom issued, the number of shares represented thereby and the par value of each such share; and provided that each certificate shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, and shall be sealed with the seal of this corporation.~~

~~2. TRANSFER. The stock of the corporation shall be transferred only upon the books of the corporation either by the stockholder in person, or by power of attorney executed by him for that purpose, upon the surrender for cancellation of the old stock~~

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~~certificate. Prior to due presentment for registration of transfer of a security, the corporation shall treat the registered owner of a security as the person exclusively entitled to vote, receive notifications and dividends, and otherwise to exercise all the rights and powers of the shares represented by such security.~~

~~The form of transfer shall be as follows:~~

~~For value received \_\_\_\_\_ hereby sell, assign and transfer unto \_\_\_\_\_ shares of the capital stock represented by the within certificate and do hereby irrevocably constitute and appoint \_\_\_\_\_ to transfer the said stock on the books of the within named corporation with full power of substitution in the premises.~~

~~Dated \_\_\_\_\_, 19\_\_\_\_.~~

~~In the presence of: \_\_\_\_\_~~

~~New certificates shall thereupon be issued to the purchaser or assignee.~~

~~ARTICLE VI~~  
~~Seal~~

~~1. The seal of this corporation shall have inscribed thereon the name of this corporation, the word "Seal" and the word "Connecticut", and shall be in the custody of the Secretary.~~

~~ARTICLE VII~~  
~~Fiscal Year~~

~~1. The fiscal year of the corporation shall commence on January 1.~~

ARTICLE VIII

Amendments

~~1. The by laws of the corporation may be adopted, amended or repealed at any validly called and convened meeting of the Board of Directors by the affirmative vote of Directors holding a majority of the number of directorships at the time or by the unanimous written consent of the Board of Directors as provided in Article III, Section 8 of these by laws. Any notice of a~~

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~~meeting of the Board of Directors at which by laws are to be adopted, amended or repealed shall include notice of such proposed action. (Amended Effective 4/18/94).~~

~~February 17, 2004~~

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Exhibit 10a

~~\_\_\_\_\_~~ KAMAN CORPORATION  
~~\_\_\_\_\_~~ 2003 STOCK INCENTIVE PLAN  
~~\_\_\_\_\_~~

~~\_\_\_\_\_~~ Effective November 1, 2003

~~\_\_\_\_\_~~ (As Amended through February 17, 2004)

~~1. Purpose. This Plan is designed to (a) 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 and (b) better align total compensation of executives of the Corporation with shareholder interests through Long Term Performance Awards subject to specific performance criteria. The Plan includes the continuation of certain predecessor plans.~~

~~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, Restricted Stock Awards and Long-Term Performance Awards.~~

~~—(c) "Beneficial Owner" is defined in Section 15(h)(iii)(A).~~

~~—(d) "Board" means the Board of Directors of the Corporation or a Subsidiary as the context may require.~~

~~—(e) "Cause" is defined in Section 15(i)(iii).~~

~~—(f) "Change in Control" is defined in Section 15(h)(iii).~~

~~—(g) "Code" means the Internal Revenue Code of 1986, as amended from time to time, and any successor Code, and related rules, regulations and interpretations.~~

~~—(h) "Committee" means the committee of the Board established under Section 10 hereof.~~

~~—(i) "Corporation" means Kaman Corporation.~~

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~~—(j) "Covered Employee" means a Participant whom the Committee designates, for each Performance Period, in order to meet the Section 162(m) Exemption.~~

~~—(k) "Disability" or "Disabled" means disability or disabled as defined by Code Section 22(e)(3).~~

~~—(l) "Effective Date" is defined in Section 4.~~

~~—(m) "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.~~

~~—(n) "Fair Market Value" of the Stock on any given date shall be the mean between the highest and lowest quoted selling prices of the Stock in the NASDAQ National Market System on such date. If there were no sales on the valuation date, "Fair Market Value" shall be the closing price of the Stock in the NASDAQ National Market System on the most recent trading day preceding the valuation date on which sales of the Stock occurred.~~

~~—(o) "Federal Income Tax Regulations" means the federal income tax regulations that implement the Code, as they may be amended from time to time and any corresponding successor regulations.~~

~~—(p) "Good Reason" is defined in Section 15(i)(iv).~~

~~—(q) "Incentive Stock Option" means a stock option qualifying under the provisions of Section 422 of the Code.~~

~~—(r) "Long-Term Performance Award" means an award under Section 9(a) below. A Long-Term Performance Award shall permit the recipient to receive a bonus payable in cash, stock or a combination of cash and stock (as determined by the Committee) upon satisfaction of such performance factors as are set out in the recipient's individual grant. Long-Term Performance Awards will be based upon the achievement of Corporation, Subsidiary and/or individual performance factors or upon such other criteria as the Committee may deem appropriate.~~

~~—(s) "Merger" means a merger, share exchange, consolidation or similar business combination under applicable law.~~

~~—(t) "Non-Employee Director" means an individual who is (i) an "outside director," as described in Federal Income Tax Regulations Section 1.162-27(c)(3), and (ii) an "independent director" under the listing standards of the Nasdaq Stock Market, Inc. and also meets the requirements of Rule 16b-3(b)(3)(i) promulgated under the Act, and any successor to such rule.~~

~~—(u) "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.~~

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

~~—(w) "Optionee" means the holder of any option granted under the Plan.~~

~~—(x) "Participant" means the holder of any Award granted under the Plan.~~

~~—(y) "Performance Period" is defined in Section 9(a).~~

~~—(z) "Person" is defined in Section 15(h)(iv).~~

~~—(aa) "Plan" means the Kaman Corporation 2003 Stock Incentive Plan.~~

~~—(bb) "Predecessor Plan" means any of the Corporation's 1973 Stock Incentive Plan, 1983 Stock Incentive Plan and 1993 Stock Incentive Plan.~~

~~—(cc) "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 or of any Subsidiary.~~

~~—(dd) "Qualified Performance Based Award" means (i) a Long Term Performance Award or Restricted Stock Award that is intended to qualify for the Section 162(m) Exemption and is made subject to objective performance goals based on Qualified Performance Criteria as set forth in Section 15(c), or (ii) an Option or SAR having an exercise price equal to or greater than the Fair Market Value of the underlying Stock as of the date it is granted.~~

~~—(ee) "Qualified Performance Criteria" means one or more of the performance criteria listed in Section 15(c) upon which performance goals for certain Qualified Performance Based Awards may be established by the Committee and which meet the requirements for the Section 162(m) Exemption.~~

~~—(ff) "Restricted Stock" means Stock received pursuant to a Restricted Stock Award.~~

~~—(gg) "Restricted Stock Award" is defined in Section 8(a).~~

~~—(hh) "Retirement" is defined in Section 6(g)(iv).~~

~~—(ii) "Section 162(m) Exemption" means the exemption from the limitation on deductibility imposed by Section 162(m) of the Code that is set forth in Section 162(m)(4)(C) of the Code.~~

~~—(jj) "Stock" or "shares" means shares of Class A Common Stock of the Corporation.~~

~~—(kk) "Stock Appreciation Right" or "Right" means a right described in Section 7.~~

~~—(ll) "Subsidiary" means any corporation within the meaning of Section 424(f) of the Code.~~

### ~~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~~

~~—(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 or Subsidiary.~~

~~—(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 is effective on November 1, 2003 (the "Effective Date") and shall continue to be effective for ten (10) years thereafter, expiring on October 31, 2013.~~

~~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 2,000,000 shares of Stock, subject to adjustment as hereinafter provided in Section 11, which shall be in addition to all shares of Stock issued or reserved for issuance pursuant to Awards granted under any Predecessor Plan, and which may be treasury shares or authorized but unissued shares. In the event that any Award under the Plan or any Predecessor Plan for any reason expires, is terminated, forfeited, reacquired by the Corporation, or satisfied without the issuance of Stock (except in~~

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~~the cases of (i) Stock otherwise issuable under an Award but retained by the Corporation for payment of withholding taxes under Section 15(b) hereof; (ii) Stock otherwise issuable under a stock option but for which the Corporation has made a discretionary payment under Section 7(d) hereof and (iii) Stock underlying any Incentive Stock Option, Non Statutory Option, or Stock Appreciation Right that is cancelled in connection with a repricing of the exercise price thereunder) 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 422 of the 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~~

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~~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, Disability or Retirement of such employee or the death or Disability of such Non-Employee Director. 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.~~

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~~—(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 Section (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 or she 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 or her 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 this subsection (iv), such surrendered shares shall be valued at the closing price of the Stock in the NASDAQ National Market System on the most recent trading day preceding the date of exercise on which sales of the Stock occurred.~~

~~— (f) Transferability. 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 the Optionee's lifetime, only by the Optionee.~~

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~~— (g) Death, Disability or Retirement of Optionee.~~

~~— (i) With respect to Incentive Stock Options, 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, such Optionee's Incentive Stock Option, or the unexercised portion thereof, may be exercised within the period of one (1) year succeeding such Optionee's death or Disability, but in no event later than ten (10) years (five (5) years in the case of a Principal Shareholder) from the date the Incentive Stock Option was granted.~~

~~— (ii) With respect to Non-Statutory Options, in the event of the death, Disability or Retirement of an Optionee while in the employ of the Corporation or a Subsidiary or in the event of death or Disability of an Optionee while serving as a Director of the Corporation, such Optionee's Non-Statutory Option, or the unexercised portion thereof, may be exercised within the period of five (5) years succeeding such Optionee's death, Disability or Retirement, but in no event later than ten (10) years and one (1) day from the date the Non-Statutory Option was granted, 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 the Optionee's estate, or by the Optionee or the Optionee's legal representative, as the case may be.~~

~~— (iii) Notwithstanding anything herein to the contrary and in the absence of any contrary provision by the Committee, during any period following termination of employment by reason of death, Disability or Retirement, or cessation as a director by reason of death or Disability, during which an Optionee's Stock Option may be exercisable as provided in either subsection (i) or (ii) above, such 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.~~

~~— (iv) As used in this Agreement, the term "Retirement" shall mean retirement in accordance with the terms of the Corporation's tax-qualified Employees' Pension Plan.~~

~~—(h) Shareholder Rights. No Optionee shall be entitled to any rights as a shareholder with respect to any shares subject to his or her option prior to the date of issuance to him or her 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.~~

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~~—(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 closing price of the Stock on the NASDAQ National Market System on the most recent trading day preceding the date of exercise on which sales of the Stock occurred 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~~

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~~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 or she 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 or her Stock Appreciation Right, 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 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 or she 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 or her Stock Appreciation Right, to the extent exercisable on the date he or she 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.~~

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~~—— (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, except as provided in subsection (c)(vi) of this Section and 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, except as provided in subsection (c)(vi) of this Section. 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 or her employment terminates or the date he or she ceases to be a director, as the case may be.~~

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~~—(vi) In the event of the death, Disability or Retirement of a Participant while in the employ of the Corporation or a Subsidiary or in the event of the death or Disability of a Participant while serving as a director of the Corporation, his or her Stock Appreciation Right or the unexercised portion thereof may be exercised within the period of five (5) years succeeding his or her death, Disability or Retirement, 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 Stock Appreciation Right granted in tandem with 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 or her estate, or by the Participant or 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 five-year period following termination of employment by reason of death, Disability or Retirement, 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.~~

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~~—(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.~~

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~~—(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) Performance Based Award. In the discretion of the Committee, the Corporation's forfeiture rights with respect to Restricted Stock award to a Covered Employee may be based upon Qualified Performance Criteria and the Restricted Stock Award may be designated as a Qualified Performance Based Award.~~

~~—(f) 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. Long Term Performance Awards.~~

~~—(a) Awards. Long Term Performance Awards bonus awards payable in cash, stock or a combination of cash and stock that may be granted either alone, in addition to or in tandem with other Awards granted under the Plan and/or awards made outside of the Plan. Long Term Performance Awards shall not require payment by the recipient of any consideration for the Long Term Performance Award or for shares of Stock, if any, covered by such Award. The Committee shall determine the nature, length and starting date of any performance period (the "Performance Period") for each Long Term Performance Award and shall determine the performance and/or employment factors to be used in the determination of the value of Long Term Performance Awards and the extent to which such Long Term Performance Award may be made subject to various conditions, including vesting or forfeiture provisions. Long Term Performance Awards may vary from Participant to Participant and between groups of Participants and shall be based upon the achievement of Corporation, Subsidiary and/or individual performance factors or upon such other criteria as the Committee may deem appropriate. Performance Periods may overlap and Participants may participate simultaneously with respect to Long Term Performance Awards that~~

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~~are subject to different Performance Periods and different performance factors and criteria. Long Term Performance Awards shall be confirmed by, and be subject to the terms of, a written Long Term Performance Award agreement.~~

~~—(b) Value of Awards. At the beginning of each Performance Period, the Committee may determine for each Long Term Performance Award subject to such Performance Period the range of dollar values and/or numbers or dollar values of shares of Common Stock to be issued to the Participant at the end of the Performance Period if and to the extent that the relevant measures of performance for such Long Term Performance Award are met. Such dollar values or numbers of shares of Common Stock may be fixed or may vary in accordance with such performance or other criteria as may be determined by the Committee.~~

~~—(c) Adjustment of Awards. Notwithstanding the provisions of Section 9(a) hereof, the Committee may, after the grant of Long Term Performance Awards, adjust the performance factors applicable to such Long Term Performance Awards to take into account changes in the law or in accounting or tax rules and to make such adjustments as the Committee deems necessary or appropriate to reflect the inclusion or exclusion of the impact of extraordinary or unusual items, events or circumstances in order to avoid windfalls or hardships to Participants.~~

~~—(d) Termination.~~

~~—(i) Unless otherwise provided in the applicable Long Term Performance Award agreement, if a Participant terminates his or her employment or his or her consultancy during a Performance Period because of death or Disability, the Committee may in its discretion provide for an earlier payment in settlement of such award, which payment may be in such amount and under such terms and conditions as the Committee deems appropriate.~~

~~—(ii) Unless otherwise provided in the applicable Long Term Performance Award agreement, if a Participant terminates his or her employment or his or her consultancy during a Performance Period because of Retirement, then such Participant shall continue to be entitled to a prorata portion of any payment with respect to the Long Term Performance Award subject to such Performance Period in accordance with the payment terms set forth in subsection (c) of this Section 9, determined by multiplying such payment, calculated as if the Participant's employment or consultancy had not been terminated, by a fraction the numerator of which is the number of days from the beginning of the Performance Period to the date of such termination and the denominator of which is the total number of days during the Performance Period.~~

~~(iii) Unless otherwise provided in the applicable Long Term Performance Award agreement, if a Participant terminates employment or his or her consultancy during a Performance Period for any reason other than death, Disability or Retirement, then such a Participant shall not be entitled to any payment with respect to the Long Term Performance Award subject to such Performance Period, unless the Committee shall otherwise determine in its discretion.~~

~~(e) Form of Payment. The earned portion of a Long Term Performance Award shall be paid in cash within two hundred seventy (270) days following the close of the applicable Performance Period, provided that the Committee may elect to pay up to one-third (1/3) of such amount in whole shares of stock or, at the discretion of the Committee, such earned portion may be paid in whole shares of Stock to the extent requested by the Participant. Any such shares of Stock shall be valued at their Fair Market Value at the close of business on the most recent trading day preceding the date of such payment.~~

~~(f) Reservation of Shares. In the event that the Committee grants a Long Term Performance Award that is payable in cash or Stock, the Committee may (but need not) reserve an appropriate number of shares of Stock under the Plan at the time of grant of the Long Term Performance Award. If, and to the extent that the full amount reserved is not actually paid in Stock, the shares of Stock representing the portion of the reserve for that Long Term Performance Award shall again become available for award under the Plan. If shares of Stock are not reserved by the Committee at the time of grant, then (i) no shares shall be deducted from the number of shares available for grant under the Plan at that time and (ii) at the time of payment of the Long Term Performance Award, only the number of shares actually issued to the Participant shall be so deducted. If there are not a sufficient number of shares available under the Plan for issuance to a Participant at the time of payment of a Long Term Performance Award, any shortfall shall be paid by the Corporation in cash.~~

~~10. 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, provided the members hereof are all Non-Employee Directors.~~

~~(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 Compensation Committee must certify in writing prior to the payment of any compensation to a Covered Employee from a Qualified Performance Based Award that Qualified Performance Criteria were met, all in the manner provided by Federal Income Tax Regulations Section 1.162-27(e)(5). 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. No members of the Committee shall be liable for any action taken or not taken or decision made or not made in good faith relating to the Plan or any award thereunder.~~

~~11. 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.~~

~~12. Awards Under Predecessor Plans. Awards presently outstanding which have been granted under any Predecessor Plan shall continue to be governed and interpreted under the terms of such plans and not by the terms hereof.~~

~~13. 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~~

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~~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.~~

~~14. 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.~~

~~15. 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. For purposes of this subsection (b), such surrendered shares shall be valued at the closing price of the Stock in the NASDAQ National Market System on the most recent trading day preceding the date of exercise on which sales of the Stock occurred.~~

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~~(c) Section 162(m) Exemption. When granting any Long Term Performance Award, Restricted Stock Award, or other Award, the Committee may designate such Award as a Qualified Performance Based Award, based upon a determination that the recipient is or may be a Covered Employee with respect to such Award, and the Committee wishes such Award to qualify for the Section 162(m) Exemption. The payment of an Award designated as a Qualified Performance Based Award to an employee for any calendar year shall not exceed \$3,000,000. The maximum number of shares underlying Options and SARs that may be awarded to a Covered Employee for any calendar year shall not exceed 500,000 shares and their exercise price shall be the fair market value of the shares on the date of grant. If an Award is so designated, the Committee shall establish performance goals for such Award (other than Options or SARs which meet the definition of a Qualified Performance Based Award under Section 2(dd)) within the time period prescribed by Section 162(m) of the Code based on one or more of the following Qualified Performance Criteria, which may be expressed in terms of an objective formula or standard that relates to Corporation wide objectives or objectives that relate to the performance of a Subsidiary or a division, region, department or function within the Corporation of a Subsidiary: (1) earnings per share, (2) EBITDA (earnings before interest, taxes, depreciation and amortization), (3) EBIT (earnings before interest and taxes), (4) economic profit, (5) cash flow, (6) sales growth, (7) net profit before tax (8) gross profit, (9) operating income or profit, (10) return on equity, (11) return on assets, (12) return on capital, (13) changes in working capital, or (14) shareholder return.~~

~~(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.~~

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~~(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.~~

~~(g) Shareholder Approval. The material terms of any Qualified Performance Based Award that have not been approved by the Shareholders must be disclosed to and approved by the Shareholders before compensation is paid to a Covered Employee pursuant to such Award, and such compensation shall be paid to a Covered Employee only if such material terms are approved by the Shareholders, all in accordance with Federal Income Tax Regulations Section 1.162-27(e)(4).~~

~~—(h) Change in Control.~~

~~——(i) Subject to the further conditions set forth in Section 15(i) below, upon the occurrence of a Change in Control (as defined below):~~

~~——(A) the vesting periods of any and all Incentive Stock Options, Non-Statutory Options and Stock Appreciation Rights granted and outstanding under the Plan shall immediately be accelerated;~~

~~——(B) the restrictions and/or conditions applicable to any and all Restricted Stock Awards granted and outstanding under the Plan shall immediately lapse and be of no further force and effect; and~~

~~——(C) all Long Term Performance Awards shall be deemed fully vested and fully earned and then shall be canceled in exchange for a cash payment equal to 100% of the target value of each such Award;~~

~~such that each Participant holding any such Award shall have the immediate, fully vested, right to purchase, receive and/or own without risk of forfeiture any and all cash and/or Stock that is the subject of the Award on the terms and conditions set forth in this Plan and the particular Agreement respecting such Award.~~

~~——(ii) In the event that, following a Change in Control, and provided the provisions of Section 15 (i)(i) below are inapplicable, the Committee shall determine in its sole discretion that the event(s) or transaction(s) constituting the Change in Control have caused the Committee to be unable to determine whether or not the performance factors and/or other criteria applicable to one or more Long Term Performance Awards granted and outstanding under Section 9 of the Plan have (or have not), in fact been met or satisfied, then, with respect to each such Long~~

~~Page 20~~

~~Term Performance Award, the Committee shall: (A) cancel the Award and make a payment to the Participant in an amount equal to 100% of the initial target value of such Award as previously determined by the Committee under Section 9(b) hereof; or (B) cancel the Award, modify the provisions of Section 9 of the Plan as may be necessary to grant Long Term Performance Awards which are substantially equivalent to those permitted prior to such Change in Control, and grant to the Participant a new Long Term Performance Award under such terms and conditions as the Committee shall establish under Section 9 hereof, which will provide a bonus opportunity to the Participant substantially equivalent to such cancelled Award.~~

~~——(iii) As used herein, the term "Change in Control" means any of the following events:~~

~~——(A) any Person (as defined below) is or becomes the Beneficial Owner (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Corporation representing 35% or more of the then outstanding securities of the Corporation generally entitled to vote in the election of directors of the Corporation, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (C) below; or~~

~~——(B) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on the Effective Date, constitute the Board and any new director (other than a director whose initial assumption of office is a result of an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Corporation and whose appointment or election was not approved by at least two thirds (2/3) of the directors of the Corporation in office immediately prior to any such contest) whose appointment or election by the Board or nomination for election by the Corporation's stockholders was approved or recommended by a vote of at least two thirds (2/3) of the directors then in office; or~~

~~——(C) there is consummated a Merger of the Corporation with~~

~~any other business entity, other than (i) a Merger which would result in the securities of the Corporation generally entitled to vote in the election of directors of the Corporation outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding such securities under an employee benefit plan of the Corporation or any Subsidiary of the Corporation, at least 65% of the securities of the Corporation or such surviving entity or any parent thereof outstanding immediately after such Merger, generally entitled to vote in the election of directors of the~~

~~Page 21~~

~~Corporation or such surviving entity or any parent thereof and, in the case of such surviving entity or any parent thereof, of a class registered under Section 12 of the Act, or (ii) a Merger effected to implement a recapitalization of the Corporation (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Corporation representing 35% or more of the then outstanding securities of the Corporation generally entitled to vote in the election of directors of the Corporation; or~~

~~(D) (1) the stockholders of the Corporation approve a plan of complete liquidation or dissolution of the Corporation or there is consummated the sale or disposition by the Corporation of all or substantially all of the Corporation's assets, other than a sale or disposition by the Corporation of all or substantially all of the Corporation's assets to an entity where the outstanding securities generally entitled to vote in the election of directors of the Corporation immediately prior to the sale continue to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof) 65% or more of the outstanding securities of such entity generally entitled to vote in the election of directors immediately after such sale and of a class registered under Section 12 of the Act, or (2) a disposition or divestiture by the Corporation or any Subsidiary of the Corporation to any Person of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation, including, without intending to limit the foregoing, any such disposition or divestiture effected by (a) a sale of all or substantially all of the securities or all or substantially all of the assets of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation, (b) the Merger of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation with or into any Person, other than a Merger which would result in the voting securities of the Subsidiary party to such Merger outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 65% of the securities of such Subsidiary or such surviving entity or any parent thereof outstanding immediately after such Merger and generally entitled to vote in the election of directors of the Subsidiary or such surviving entity or parent thereof, or (c) a spin off, dividend or other distribution of all or substantially all of the securities or all or substantially all of the assets (or of the stock of a business entity owning such securities or assets) of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation to the Corporation's stockholders.~~

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~~(iv) As used herein, the term "Person" shall have the meaning given in Section 3(a)(9) of the Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (A) the Corporation or any of its direct or indirect Subsidiaries, (B) a trustee or other fiduciary holding securities under an employee benefit plan of the Corporation, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, (D) a corporation owned, directly or indirectly, by the stockholders of the Corporation in~~

~~substantially the same proportions and with substantially the same voting rights as their ownership and voting rights with respect to the Corporation, (E) the voting trust established pursuant to a Voting Trust Agreement dated August 14, 2000 between John C. Yavis, Jr., as General Partner of Newgate Associates Limited Partnership and the trustees named therein (the "Newgate Voting Trust"), provided that the following individuals continue to constitute a majority of the voting trustees of that voting trust: individuals serving as trustees of the Newgate Voting Trust as of the Effective Date and individuals designated by the Board in accordance with the terms of that voting trust, provided no Change in Control pursuant to Section 15(h)(iii)(B) of the Plan has occurred, (F) the individuals referred to in the immediately preceding subsection (E) solely with respect to their status as Beneficial Owners of securities of the Corporation subject to the Newgate Voting Trust, (G) Charles H. Kaman, any individual to whom he has directly granted a general power of attorney, or any entity created or controlled by him, provided that he and/or any attorneys in fact appointed directly by him possess and exercise, in person or by proxy solicited by the Board, the right to vote all securities of the Corporation generally entitled to vote in the election of directors of the Corporation, of which he, any such holder of his general power of attorney, or any such entity is the Beneficial Owner, and (H) the holder of a general power of attorney and the attorneys in fact referred to in the immediately preceding subsection (G) solely with respect to their status as Beneficial Owners of securities of the Corporation because of their appointment as such.~~

~~—(i) Conditions for Accelerated Vesting and Payment.~~

~~—(i) If the Participant's employment is terminated during the thirty six (36) month period following a Change in Control, other than (A) by the Corporation or a Subsidiary for Cause (as defined below), (B) by reason of death or Disability, or (C) by the Participant without Good Reason (as defined below), then, and only then, shall the accelerated vesting provisions set forth in Section 15(h)(i) be effective with respect to the Participant.~~

~~—(ii) Any payment required under Section 15(h)(i) shall be made on or before the date of termination of employment referred to in paragraph (i) above of this subsection (i).~~

~~\_\_\_\_\_ Page 23~~

~~—(iii) Any payment required under Section 15(h)(ii) shall be made at the time when the Award would otherwise have been payable, provided, however, that if the employment of the Participant holding such Award by the Corporation or a Subsidiary be terminated by the Corporation or a Subsidiary without Cause, or the Participant shall terminate his or her employment for Good Reason, then the payment required under Section 15(h)(ii) shall be made on or before the date of such termination.~~

~~—(iv) As used herein, the term "Cause" means (A) the willful refusal by the Participant to perform proper responsibilities of the Participant's position with the Corporation or a Subsidiary, (B) a violation of law by the Participant which adversely affects the assets, financial position or reputation of the Corporation or a Subsidiary, or (C) a violation by the Participant of any code of ethics, code of conduct or similar policy maintained by the Corporation or a Subsidiary from time to time.~~

~~—(v) As used herein, the term "Good Reason" means a substantial diminution in the nature or status of the Participant's responsibilities from those in effect immediately prior to the Change in Control.~~



EXHIBIT 10c

~~FIFTH AMENDMENT TO KAMAN CORPORATION  
SUPPLEMENTAL EMPLOYEES' RETIREMENT PLAN~~

~~WHEREAS, Kaman Corporation ("Kaman" or the "Company") established the Kaman Corporation Supplemental Employees' Retirement Plan (originally known as the "Kaman Corporation Excess Benefit Plan") (the "Plan" or "SERP") on April 30, 1976, effective as of January 1, 1976, which has been amended from time to time and, most recently, was restated in its entirety on January 1, 1994, and has been amended four times since; and~~

~~WHEREAS, Section 6 of the SERP permits the amendment of the SERP at any time and from time to time; and~~

~~WHEREAS, Kaman desires to amend the SERP in certain respects hereafter enumerated;~~

~~NOW THEREFORE, the SERP is hereby amended as follows:~~

~~1. The following new paragraph (c) is added to Section 4, effective January 1, 2003:~~

~~"(c) Notwithstanding the foregoing provisions of this Section 4, if the Participant makes the election described in this~~

~~paragraph (e)), the benefit he (or his surviving spouse) is entitled to under the Plan shall not be paid in the same form as the payment made under the Pension Plan to which the payments hereunder are supplemental, but instead the Company shall pay the present value of said benefit under the Plan to the Participant (or his surviving spouse) in a single lump sum as of the date payments commence under the Pension Plan, and the Participant (or his surviving spouse) shall not have any further rights hereunder. The amount of the lump sum payment shall be determined based upon the actuarial assumptions referenced in paragraph (a) of Section 9, as amended by the Fourth Amendment, and said amount shall be the actuarially equivalent present value of the monthly payments that would otherwise have been made hereunder in the form that payments are to be made under the Pension Plan. Any such election to receive the payment of benefits hereunder in a lump sum shall be made upon such form or forms as are prescribed by the Committee for such purpose. Any such election shall be allowed only if the Participant is actively employed by the Company or subsidiary at the time of the election, and must be received by the Committee at least twelve (12) months in advance of the date the Participant actually retires, dies, or otherwise terminates employment. This lump sum election may be revoked, in which case payment shall be in the same form as the payment made under the Pension Plan; and subsequent lump sum elections and revocations thereof shall also be permitted. However, any such revocation, subsequent election, or subsequent revocation shall only be given effect if it is~~

~~Page 1~~

~~received by the Committee at least twelve (12) months in advance of the date the Participant actually retires, dies, or otherwise terminates employment."~~

~~2. Paragraph (c) of Section 6 is amended to read as follows:~~

~~"(c) As used herein, the term "Change in Control" means any of the following events:~~

~~(i) any Person (as defined below) is or becomes the beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934 (the "Exchange Act"), a "Beneficial Owner"), directly or indirectly, of securities of the Company representing 35% or more of the then outstanding securities of the Company generally entitled to vote in the election of directors of the Company (a "Change in Ownership"), excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (A) of subparagraph (ii) below; provided, however, that a Change in Ownership shall not result in a Change in Control unless within the two year period following the particular Change in Ownership the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, immediately prior to the particular Change in Ownership, constitute the Board and any new director (other than a director whose initial assumption of office is a result of an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company and whose appointment or election was not approved by at least two thirds (2/3) of the directors of the Company in office immediately prior to any such contest) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two thirds (2/3) of the directors then in office; or~~

~~(ii) there is consummated a Merger of the Company with any other business entity, other than (A) a Merger which would result in the securities of the Company generally entitled to vote in the election of directors of the Company outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding such securities under an employee benefit plan of the Company or any Subsidiary of the Company, at least 65% of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such Merger, generally entitled to vote in the election of directors of the Company or such surviving entity or any parent thereof and, in the case of such surviving entity or any parent thereof, of a class registered under Section 12 of the Exchange Act, or (B) a Merger effected to implement a recapitalization of the Company (or similar~~



~~transaction) in which no Person is or becomes the Beneficial~~

~~Page 2~~

~~Owner, directly or indirectly, of securities of the Company representing 35% or more of the then outstanding securities of the Company generally entitled to vote in the election of directors of the Company; or~~

~~(iii) (A) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity where the outstanding securities generally entitled to vote in the election of directors of the Company immediately prior to the sale continue to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof) 65% or more of the outstanding securities of such entity generally entitled to vote in the election of directors immediately after such sale and of a class registered under Section 12 of the Exchange Act, or (B) a disposition or divestiture by the Company or any Subsidiary of the Company to any Person of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation, including, without intending to limit the foregoing, any such disposition or divestiture effected by (x) a sale of all or substantially all of the securities or all or substantially all of the assets of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation, (y) the Merger of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation with or into any Person, other than a Merger which would result in the voting securities of the Subsidiary party to such Merger outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 65% of the securities of such Subsidiary or such surviving entity or any parent thereof outstanding immediately after such Merger and generally entitled to vote in the election of directors of the Subsidiary or such surviving entity or parent thereof, or (z) a spin-off, dividend or other distribution of all or substantially all of the securities or all or substantially all of the assets (or of the stock of a business entity owning such securities or assets) of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation to the Company's stockholders.~~

~~(iv) As used herein, the term "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (A) the Company or any of its direct or indirect Subsidiaries, (B) a trustee or other fiduciary holding securities under an employee benefit plan of the Company, (C) an underwriter temporarily holding securities pursuant to an offering of such securities, (D) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially~~

~~Page 3~~

~~the same proportions and with substantially the same voting rights as their ownership and voting rights with respect to the Company, (E) the voting trust established pursuant to a Voting Trust Agreement dated August 14, 2000 between John G. Yavis, Jr., as General Partner of Newgate Associates Limited Partnership and the trustees named therein (the "Newgate Voting Trust"), provided that the following individuals continue to constitute a majority of the voting trustees of that voting trust: individuals serving as trustees of the Newgate Voting Trust as of November 1, 2003 and individuals designated by the Board of Directors of the Company in accordance with the terms of that voting trust, provided no Change in Control pursuant to subparagraph (c)(i) of this Section 6 has occurred, (F) the individuals referred to in the immediately preceding subsection (E) solely with respect to their status as Beneficial Owners of securities of the Company subject to the Newgate Voting Trust, (G) Charles H. Kaman, any individual to whom he has directly granted a general power of attorney, or any entity created or controlled by him, provided that he and/or any attorneys in fact appointed directly by him possess and exercise, in person or by proxy solicited by the Board, the right to vote~~

~~all securities of the Company generally entitled to vote in the election of directors of the Company, of which he, any such holder of his general power of attorney, or any such entity is the Beneficial Owner, and (H) the holder of a general power of attorney and the attorneys in fact referred to in the immediately preceding subsection (G) solely with respect to their status as Beneficial Owners of securities of the Company because of their appointment as such.~~

~~\_\_\_\_\_ (v) As used herein, the term "Merger" means a merger, share exchange, consolidation or similar business combination under applicable law.~~

~~\_\_\_\_\_ (vi) As used herein, the term "Subsidiary" means any corporation within the meaning of Section 424(f) of the Internal Revenue Code of 1986, as amended from time to time, and any successor Code, and related rules, regulations and interpretations."~~

~~\_\_\_\_\_ 3. Part 1 of this Amendment is effective as of January 1, 2003. Part 2 of this Amendment is effective as of November 1, 2003.~~

~~\_\_\_\_\_ EXCEPT AS AMENDED HEREIN, the terms of the SERP, as amended and restated as of January 1, 1994, and as amended by a First Amendment, a Second Amendment, a Third Amendment, and a Fourth Amendment, are confirmed and remain unchanged.~~

~~\_\_\_\_\_ Page 4~~

~~\_\_\_\_\_ IN WITNESS WHEREOF, Kaman Corporation has caused this Fifth Amendment to be executed on its behalf by its duly authorized officer this 15th day of December, 2003.~~

~~\_\_\_\_\_ KAMAN CORPORATION~~

~~\_\_\_\_\_ By: /s/ Paul R. Kuhn~~

~~\_\_\_\_\_ Paul R. Kuhn  
\_\_\_\_\_ Its President~~

~~Attest:~~

~~/s/ Candace A. Clark~~

~~\_\_\_\_\_ Date: 12/15/03~~

674061



EXHIBIT 10d

~~\_\_\_\_\_ FIRST AMENDMENT  
\_\_\_\_\_ TO  
\_\_\_\_\_ KAMAN CORPORATION AMENDED AND RESTATED  
\_\_\_\_\_ DEFERRED COMPENSATION PLAN~~

~~\_\_\_\_\_ THIS AMENDMENT made by Kaman Corporation for the purpose of  
amending its Amended and Restated Deferred Compensation Plan,~~

~~\_\_\_\_\_ WITNESSETH:~~

~~\_\_\_\_\_ WHEREAS, by Written Plan Instrument dated November 12, 2002,  
Kaman Corporation (hereinafter referred to as the "Corporation")  
adopted an Amended and Restated Deferred Compensation Plan; and~~

~~\_\_\_\_\_ WHEREAS, the Corporation reserved the right, in Section 8.2  
thereof, to amend the Plan; and~~

~~\_\_\_\_\_ WHEREAS, the Corporation now wishes to amend the Plan in the  
particulars set forth below;~~

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

~~\_\_\_\_\_ 1. Section 11.3 is amended to read as follows:~~

~~"11.3 Change in Control Defined. As used herein, the term "Change in Control" means any of the following events:~~

~~(a) any Person (as defined below) is or becomes the beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934 (the "Exchange Act"), a "Beneficial Owner"), directly or indirectly, of securities of the Corporation representing 35% or more of the then outstanding securities of the Corporation generally entitled to vote in the election of directors of the Corporation (a "Change in Ownership"), excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (b) below; provided, however, that a Change in Ownership shall not result in a Change in Control unless within the two year period following the particular Change in Ownership the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, immediately prior to the particular Change in Ownership, constitute the Board and any new director (other than a director whose initial assumption of office is a result of an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Corporation and whose appointment or election was not approved by at least two thirds (2/3) of the directors of the Corporation in~~

~~Page 1~~

~~office immediately prior to any such contest) whose appointment or election by the Board or nomination for election by the Corporation's stockholders was approved or recommended by a vote of at least two thirds (2/3) of the directors then in office; or~~

~~(b) there is consummated a Merger of the Corporation with any other business entity, other than (i) a Merger which would result in the securities of the Corporation generally entitled to vote in the election of directors of the Corporation outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding such securities under an employee benefit plan of the Corporation or any Subsidiary of the Corporation, at least 65% of the securities of the Corporation or such surviving entity or any parent thereof outstanding immediately after such Merger, generally entitled to vote in the election of directors of the Corporation or such surviving entity or any parent thereof and, in the case of such surviving entity or any parent thereof, of a class registered under Section 12 of the Exchange Act, or (ii) a Merger effected to implement a recapitalization of the Corporation (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Corporation representing 35% or more of the then outstanding securities of the Corporation generally entitled to vote in the election of directors of the Corporation; or~~

~~(c) (i) the stockholders of the Corporation approve a plan of complete liquidation or dissolution of the Corporation or there is consummated the sale or disposition by the Corporation of all or substantially all of the Corporation's assets, other than a sale or disposition by the Corporation of all or substantially all of the Corporation's assets to an entity where the outstanding securities generally entitled to vote in the election of directors of the Corporation immediately prior to the sale continue to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof) 65% or more of the outstanding securities of such entity generally entitled to vote in the election of directors immediately after such sale and of a class registered under Section 12 of the Exchange Act, or (ii) a disposition or divestiture by the Corporation or any Subsidiary of the Corporation to any Person of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation, including, without intending to limit the foregoing, any such disposition or divestiture effected by~~

~~(A) a sale of all or substantially all of the securities or~~

~~Page 2~~

~~all or substantially all of the assets of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation, (B) the Merger of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation with or into any Person, other than a Merger which would result in the voting securities of the Subsidiary party to such Merger outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 65% of the securities of such Subsidiary or such surviving entity or any parent thereof outstanding immediately after such Merger and generally entitled to vote in the election of directors of the Subsidiary or such surviving entity or parent thereof, or (C) a spin off, dividend or other distribution of all or substantially all of the securities or all or substantially all of the assets (or of the stock of a business entity owning such securities or assets) of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation to the Corporation's stockholders.~~

~~(d) As used herein, the term "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Corporation or any of its direct or indirect Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Corporation, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) a corporation owned, directly or indirectly, by the stockholders of the Corporation in substantially the same proportions and with substantially the same voting rights as their ownership and voting rights with respect to the Corporation, (v) the voting trust established pursuant to a Voting Trust Agreement dated August 14, 2000 between John C. Yavis, Jr., as General Partner of Newgate Associates Limited Partnership and the trustees named therein (the "Newgate Voting Trust"), provided that the following individuals continue to constitute a majority of the voting trustees of that voting trust: individuals serving as trustees of the Newgate Voting Trust as of November 1, 2003 and individuals designated by the Board in accordance with the terms of that voting trust, provided no Change in Control pursuant to paragraph (a) of this Section 11.3 has occurred, (vi) the individuals referred to in the immediately preceding subsection (v) solely with respect to their status as Beneficial Owners of securities of the Corporation subject to the Newgate Voting Trust, (vii) Charles H. Kaman, any individual to whom he has directly granted a general power of attorney, or any entity created or controlled by him, provided that he and/or any attorneys in fact appointed directly by him possess and exercise, in person or by proxy~~

~~Page 3~~

~~solicited by the Board, the right to vote all securities of the Corporation generally entitled to vote in the election of directors of the Corporation, of which he, any such holder of his general power of attorney, or any such entity is the Beneficial Owner, and (viii) the holder of a general power of attorney and the attorneys in fact referred to in the immediately preceding subsection (vii) solely with respect to their status as Beneficial Owners of securities of the Corporation because of their appointment as such.~~

~~(e) As used in this Section 11.3, the term "Corporation" means Kaman Corporation.~~

~~(f) As used herein, the term "Merger" means a merger, share exchange, consolidation or similar business combination under applicable law.~~

~~(g) As used in this Section 11.3, the term "Subsidiary" means any corporation within the meaning of Section 424(f) of the Internal Revenue Code of 1986, as amended from time~~

~~to time, and any successor Code, and related rules, regulations and interpretations."~~

~~2. Except as hereinabove modified and amended, the Amended and Restated Deferred Compensation Plan shall remain in full force and effect.~~

~~3. This First Amendment is effective as of November 1, 2003.~~

~~IN WITNESS WHEREOF, the Corporation has caused this First Amendment to be executed on this 15th day of December, 2003.~~

WITNESS \_\_\_\_\_ KAMAN CORPORATION

~~/s/ C.A. Clark \_\_\_\_\_ By: /s/ Paul R. Kuhn~~

~~Candace A. Clark \_\_\_\_\_ Paul R. Kuhn  
\_\_\_\_\_  
Its President~~

EXHIBIT 10g(i)

~~\_\_\_\_\_~~ AMENDMENT NO. 1  
~~\_\_\_\_\_~~ AMENDED AND RESTATED EMPLOYMENT AGREEMENT  
~~\_\_\_\_\_~~

~~This Agreement is made as of September 11, 2001 (the "Effective Date") by and between Paul R. Kuhn ("I", "me", or "my") and Kaman Corporation ("Kaman" or "the Company").~~

~~\_\_\_\_\_~~ WITNESSETH:

~~WHEREAS, the Company and I have executed an employment agreement dated August 2, 1999, as amended and restated on November 16, 1999; and~~

~~WHEREAS, the parties desire to continue the employment relationship on the terms and conditions contained in this Agreement;~~

~~NOW THEREFORE, in consideration of the mutual promises contained in this Agreement, the Company and I agree as follows:~~

~~I. (a) I will abide by all of Kaman's rules and regulations now or hereafter established and agree that the posting of any such rules or regulations on the bulletin boards of the various~~



~~departments and/or as listed in any employee handbooks will constitute personal notice thereof to me. I understand that no statements made in any such publications or elsewhere shall operate to change the terms and conditions of my employment as described in this Agreement.~~

~~—(b) I understand and agree that I may become aware of certain secret and/or confidential information during the course of my employment and such information includes, but is not limited to, that pertaining to methods, processes, designs, equipment, catalogues, computer disks, customer lists, inventions, sales and operating procedures. I agree that all tangible confidential information such as computer disks, reports, customer lists, etc. are the sole property of Kaman and I agree that upon termination of employment with Kaman, I will return, on demand, any and all confidential information in my possession. During and after my employment, I will disclose to Kaman and will not divulge or appropriate to my own use or to the use of others, including any other employer, any such confidential information or knowledge obtained by me during such employment, whether in tangible or intangible form, including, but not limited to data, plans, decisions, methods, processes, designs, equipment, catalogues, customer lists, inventions, and sales and operating procedures.~~

~~Page 1~~

~~—(c) Recognizing that, by virtue of my employment, I may learn information, not generally available, concerning business methods, customer lists or other trade secrets, I agree that during my employment I will not, directly or indirectly, become connected with, promote the interest of, or engage in any other business or activity competing with the business to which my employment relates within the geographical area in which the business of the Company is conducted. I further agree that if any court or arbitrator should find this covenant and agreement against competition not to be reasonable as to the scope of prohibited activities, then such portion of this covenant and agreement held to be unreasonable shall be regarded as severable and stricken from this Agreement, and such covenant and agreement shall be of full force and effect for the activities which are determined not to be unreasonable.~~

~~—(d) I will treat as for Kaman's sole benefit, and fully and promptly disclose and assign to Kaman without additional compensation, all ideas, discoveries, inventions and improvements, patentable or not, which, while I am employed, are made, conceived or reduced to practice by me, alone or with others, during or after usual working hours either on or off my job, and which are related directly or indirectly to Kaman's business or interest or which result from tasks assigned to me by Kaman.~~

~~—(e) I agree, at Kaman's expense, at any time during or after my employment, to sign all papers and do such other acts reasonably required of me to protect Kaman's rights to said ideas, discoveries, inventions and improvements, including applying for, obtaining and enforcing patents on said discoveries, inventions, improvements in any and all countries.~~

~~—(f) I represent that there are no agreements, understandings or legal requirements applicable to me which prohibit the execution of this Agreement or prohibit or otherwise limit the performance of my obligations hereunder or my duties as an employee of the Company nor will the execution of this Agreement and the performance of my obligations or duties result in a conflict of interest between me and any other party.~~

~~II. I understand that, as an employee of Kaman, I owe a duty of loyalty to Kaman. As part of this duty of loyalty, I will:~~

~~—(a) avoid personal investment, interests or associations which might interfere with the independent exercise of my judgment on business related matters;~~

~~(b) not, directly or through a member of my immediate family or otherwise, accept any gratuitous payment, loan, service, or other consideration of value from any party doing or seeking to do business with Kaman;~~

~~(c) fully disclose all facts concerning services that I, or any other person of whom I have knowledge, may have rendered to any party competing, dealing, or seeking to deal with Kaman, if it is required to determine if a conflict of interest exists; and~~

~~(d) not buy or sell Kaman Corporation stock if I have information about Kaman Corporation or any of its subsidiaries that is not already available to the public nor will I tell other people about any information of that kind. I understand and acknowledge that Kaman's policies prohibit such behavior and in many cases, it will be in violation of the securities laws.~~

~~III. I understand and agree that my employment with Kaman is an "at will" relationship and such employment and compensation can be terminated, with or without cause, and with or without notice, at any time, at the option of Kaman or me. I understand that this Agreement can be changed only by a written document signed by me and the President or other designated officer of Kaman. No application, brochure, policy statement, procedure, benefit plan, summary, work rules, employee handbook, or any other written or oral communication between the Company and its employees is intended to create an employment contract. I understand and agree that as a condition of my "at will" employment, if any disputes arise out of my termination of employment with the Company that I will first seek to resolve all such disputes by engaging in good faith discussions with appropriate managerial personnel of the Company.~~

~~IV. (a) I understand that if my employment ends under any circumstances (other than due to my willful refusal to perform proper responsibilities of my position or a violation of law on my part) after my Date of Hire (being August 2, 1999) and the Change in Control Agreement dated August 2, 1999, as amended, between Kaman and me is not applicable, that on my last day of employment (the "Termination Date"), the Company will provide me with:~~

~~1) a lump sum cash payment equal to two (2) times my then current base annual salary rate (which rate cannot be less than the salary rate for the most recently completed calendar year prior to the Termination Date or the salary rate in effect as of the Effective Date, whichever is higher);~~

~~2) a lump sum cash payment equal to two (2) times my most recent cash bonus payment; and the bonus for which I am eligible due to my employment during the calendar year in which the Termination Date occurs, with such bonus to be pro rated and calculated in accordance with the Kaman Corporation Cash Bonus Plan;~~

~~3) with regard to all restricted stock, stock appreciation rights or stock option awards that I have received, (i) all restrictions with respect to any restricted stock shall lapse, and, (ii) at my election, to be made in writing on or before the Termination Date, either (a) all stock appreciation rights and stock options shall become fully vested and then canceled in exchange for a cash payment equal to the excess of the fair market value of the shares of Kaman Corporation stock subject to the stock appreciation right or stock option on the Termination Date over the exercise price(s) of such stock appreciation rights or stock options, or (b) all stock appreciation rights and stock options shall become fully vested and following the Termination Date, I shall have the right to exercise such stock~~

~~appreciation right or stock options for the periods provided by the Kaman Corporation 1993 Stock Incentive Plan, as amended, with respect to an employee who has terminated employment; and~~

~~— 4) if my employment ends within two (2) years from my Date of Hire, vesting credit under the Supplemental Employees Retirement Plan (SERP) to achieve a total of eight (8) years of Continuous and Credited Service (as defined in the Kaman Corporation Employees' Pension Plan (the "Plan") to which the SERP is supplemental) at that date which would have been my normal retirement date (generally, attainment of age 65) had my employment not ended. I understand that my benefit from the plan will be due and payable at that normal retirement date;~~

~~— 5) my Company automobile. The book value then attributed to it by the leasing company will be considered "fringe benefit" income and that amount will be subject to tax during the calendar year in which the Termination Date occurs;~~

~~— 6) reimbursement for COBRA premium payments for applicable group medical/dental benefits until I accept employment elsewhere, but in any event for not more than eighteen (18) months; and~~

~~— 7) premium payments for one (1) year with regard to the Mass Mutual group universal life insurance policy issued in my name.~~

~~— (b) In the event that the items described in Section IV (a) are provided to me pursuant to this Agreement, I agree that for a period of two (2) years following the Termination Date, I will not, directly or indirectly, become connected with, promote the~~

~~\_\_\_\_\_~~ Page 4

~~interest of, or engage in any other business or activity competing with the business of the Company within the geographical area in which the business of the Company is conducted.~~

~~— (c) Unless required otherwise by law or government regulation, the parties will maintain the terms and conditions of this Agreement in confidence.~~

~~V. This Agreement supersedes any previous agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof which may exist between the parties, except that both parties acknowledge the validity of that certain Change in Control Agreement dated August 2, 1999, as amended, between the parties. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of Connecticut. Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state or local law and any additional withholding to which I have agreed.~~

~~In Witness Whereof, the parties have executed, or caused this Agreement to be executed, on his or its behalf.~~

~~\_\_\_\_\_~~ /s/ Paul R. Kuhn

~~\_\_\_\_\_~~ Signature of Employee

~~\_\_\_\_\_~~ 12/2/03

~~\_\_\_\_\_~~ Paul R. Kuhn

~~\_\_\_\_\_~~ Employee's Typed Name

~~Acknowledged and Agreed this 2nd day of December, 2003.~~

~~Kaman Corporation~~

~~/s/ Robert M. Garneau~~

---

~~By Robert M. Garneau~~

~~Its Executive Vice President and CFO~~

EXHIBIT 10g(ii)

~~\_\_\_\_\_ Amendment No. 2  
\_\_\_\_\_ to  
\_\_\_\_\_ Amended and Restated Employment Agreement~~

~~\_\_\_\_\_ This Amendment No. 2 is made as of February 17, 2004, by and  
between Paul R. Kuhn ("I", "me", or "my") and Kaman Corporation  
("Kaman" or "the Company").~~

~~\_\_\_\_\_ WITNESSETH:~~

~~\_\_\_\_\_ WHEREAS, the Company and I entered into Amendment No. 1,  
Amended and Restated Employment Agreement dated September 11, 2001  
(the "Employment Agreement"); and~~

~~\_\_\_\_\_ WHEREAS, the parties desire to amend the Employment Agreement  
as provided in this Amendment;~~

~~\_\_\_\_\_ NOW THEREFORE, in consideration of the mutual promises  
contained in this Amendment, the Company and I agree as follows:~~

~~\_\_\_\_\_ 1. Section IV(a) 3) of the Agreement is hereby amended in  
its entirety to read as follows:~~

~~"3) with regard to all restricted stock, stock appreciation rights, stock option awards or long term performance awards that I may have received, (i) all restrictions with respect to any restricted stock shall lapse; (ii) at my election, to be made in writing on or before the Termination Date, either (a) all stock appreciation rights and stock options shall be deemed fully vested and then canceled in exchange for a cash payment equal to the excess of the fair market value of the shares of Kaman Corporation stock subject to the stock appreciation right or stock option on the Termination Date over the exercise price(s) of such stock appreciation rights or stock options, or (b) all stock appreciation rights and stock options shall be deemed fully vested and, following the Termination Date, I shall have the right to exercise such stock appreciation rights and stock options for the periods provided by the Kaman Corporation 2003 Stock Incentive Plan, as amended; and (iii) each long term performance award shall be deemed fully vested and fully earned and then shall be canceled in exchange for a cash payment equal to 100% of the target value of such award multiplied by a fraction the numerator of which is the number of days elapsing from the date of grant of such award to the Termination Date and the denominator of which is the number of days constituting the full term of such award; and"~~

~~2. Except as expressly modified herein, all provisions of the Employment Agreement shall remain in full force and effect.~~

~~Page 1~~

~~In Witness Whereof, the parties have executed, or caused this Amendment to be executed on his or its behalf.~~

~~Paul R. Kuhn~~

~~Date~~

~~Acknowledged and Agreed this 5th day of March, 2004.~~

~~Kaman Corporation~~

~~/s/ Robert M. Carneau~~

~~By Robert M. Carneau  
Its Executive Vice President and CFO~~



EXHIBIT 10g(iii)

~~SECOND AMENDED AND RESTATED CHANGE IN CONTROL AGREEMENT~~

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~~THIS AGREEMENT, is made as of November 11, 2003, by and between Kaman Corporation, a Connecticut corporation (the "Company"), and Paul R. Kuhn (the "Executive").~~

~~WHEREAS, the Company considers it essential to the best interests of its shareholders to foster the continued employment of key management personnel; and~~

~~WHEREAS, the Board recognizes that the possibility of a Change in Control exists and that such possibility, which will not be addressed by an Employment Agreement, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders; and~~

~~WHEREAS, the Board has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including the Executive, to their assigned duties without the potential distractions arising from the possibility of a Change in Control;~~



and

~~WHEREAS, the Company and the Executive executed a Change in Control Agreement dated August 2, 1999 (which was amended and restated in its entirety as of November 16, 1999) as well as an Employment Agreement, as amended; and~~

~~WHEREAS, the parties desire to further amend and restate the Change in Control Agreement in its entirety;~~

~~NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Company and the Executive hereby agree as follows:~~

~~1. Defined Terms. The definitions of capitalized terms used in this Agreement are provided in the last Section of this Agreement.~~

~~2. Term. [Intentionally Omitted]~~

~~3. Company's Covenants Summarized. In order to induce the Executive to remain in the employ of the Company and in consideration of the Executive's continued employment, the Company agrees, under the conditions described herein, to pay the Executive the Severance Payments and the other payments and benefits described in this Agreement. Except as provided in~~

~~Page 1~~

EXHIBIT 10g(iv)

~~\_\_\_\_\_ Amendment No. 1  
\_\_\_\_\_ to  
\_\_\_\_\_ Amended and Restated Employment Agreement~~

~~\_\_\_\_\_ This Amendment No. 1 is made as of February 17, 2004, by and  
between Candace A. Clark ("I", "me", or "my") and Kaman  
Corporation ("Kaman" or "the Company").~~

~~\_\_\_\_\_ WITNESSETH:~~

~~\_\_\_\_\_ WHEREAS, the Company and I entered into an Employment  
Agreement dated as of September 20, 2001 (the "Employment  
Agreement"); and~~

~~\_\_\_\_\_ WHEREAS, the parties desire to amend the Employment  
Agreement as provided in this Amendment;~~

~~\_\_\_\_\_ NOW THEREFORE, in consideration of the mutual promises  
contained in this Amendment, the Company and I agree as follows:~~

~~\_\_\_\_\_ 1. Section IV(a) 3) of the Agreement is hereby amended in  
its entirety to read as follows:~~

~~\_\_\_\_\_ "3) with regard to all restricted stock, stock~~

~~appreciation rights, stock option awards or long term performance awards that I may have received, (i) all restrictions with respect to any restricted stock shall lapse; (ii) at my election, to be made in writing on or before the Termination Date, either (a) all stock appreciation rights and stock options shall be deemed fully vested and then canceled in exchange for a cash payment equal to the excess of the fair market value of the shares of Kaman Corporation stock subject to the stock appreciation right or stock option on the Termination Date over the exercise price(s) of such stock appreciation rights or stock options, or (b) all stock appreciation rights and stock options shall be deemed fully vested and, following the Termination Date, I shall have the right to exercise such stock appreciation rights and stock options for the periods provided by the Kaman Corporation 2003 Stock Incentive Plan, as amended; and (iii) each long term performance award shall be deemed fully vested and fully earned and then shall be canceled in exchange for a cash payment equal to 100% of the target value of such award multiplied by a fraction the numerator of which is the number of days elapsing from the date of grant of such award to the Termination Date and the denominator of which is the number of days constituting the full term of such award; and"~~

~~2. Except as expressly modified herein, all provisions of the Employment Agreement shall remain in full force and effect.~~

~~Page 1~~

~~In Witness Whereof, the parties have executed, or caused this Amendment to be executed on his or its behalf.~~

~~Candace A. Clark~~

~~Date~~

~~Acknowledged and Agreed this 5th day of March, 2004.~~

~~Kaman Corporation~~

~~/s/ Paul R. Kuhn~~

~~By Paul R. Kuhn  
Its President and Chief Executive Officer~~



EXHIBIT 10g(v)

~~\_\_\_\_\_ Amendment No. 1  
\_\_\_\_\_ to  
\_\_\_\_\_ Amended and Restated Employment Agreement~~

~~\_\_\_\_\_ This Amendment No. 1 is made as of February 17, 2004, by and  
between Ronald M. Galla ("I", "me", or "my") and Kaman  
Corporation ("Kaman" or "the Company").~~

~~\_\_\_\_\_ WITNESSETH:~~

~~\_\_\_\_\_ WHEREAS, the Company and I entered into an Employment  
Agreement dated as of September 20, 2001 (the "Employment  
Agreement"); and~~

~~\_\_\_\_\_ WHEREAS, the parties desire to amend the Employment  
Agreement as provided in this Amendment;~~

~~\_\_\_\_\_ NOW THEREFORE, in consideration of the mutual promises  
contained in this Amendment, the Company and I agree as follows:~~

~~\_\_\_\_\_ 1. Section IV(a) 3) of the Agreement is hereby amended in  
its entirety to read as follows:~~

~~"3) with regard to all restricted stock, stock appreciation rights, stock option awards or long term performance awards that I may have received, (i) all restrictions with respect to any restricted stock shall lapse; (ii) at my election, to be made in writing on or before the Termination Date, either (a) all stock appreciation rights and stock options shall be deemed fully vested and then canceled in exchange for a cash payment equal to the excess of the fair market value of the shares of Kaman Corporation stock subject to the stock appreciation right or stock option on the Termination Date over the exercise price(s) of such stock appreciation rights or stock options, or (b) all stock appreciation rights and stock options shall be deemed fully vested and, following the Termination Date, I shall have the right to exercise such stock appreciation rights and stock options for the periods provided by the Kaman Corporation 2003 Stock Incentive Plan, as amended; and (iii) each long term performance award shall be deemed fully vested and fully earned and then shall be canceled in exchange for a cash payment equal to 100% of the target value of such award multiplied by a fraction the numerator of which is the number of days elapsing from the date of grant of such award to the Termination Date and the denominator of which is the number of days constituting the full term of such award; and"~~

~~2. Except as expressly modified herein, all provisions of the Employment Agreement shall remain in full force and effect.~~

~~Page 1~~

~~In Witness Whereof, the parties have executed, or caused this Amendment to be executed on his or its behalf.~~

~~\_\_\_\_\_  
Ronald M. Galla~~

~~\_\_\_\_\_  
Date~~

~~Acknowledged and Agreed this 5th day of  
March, 2004.~~

~~Kaman Corporation~~

~~/s/ Paul R. Kuhn~~

~~\_\_\_\_\_  
By Paul R. Kuhn  
Its President and Chief Executive Officer~~



EXHIBIT 10g(vi)

~~\_\_\_\_\_ Amendment No. 1  
\_\_\_\_\_ to  
\_\_\_\_\_ Amended and Restated Employment Agreement~~

~~\_\_\_\_\_ This Amendment No. 1 is made as of February 17, 2004, by and  
between Robert M. Garneau ("I", "me", or "my") and Kaman  
Corporation ("Kaman" or "the Company").~~

~~\_\_\_\_\_ WITNESSETH:~~

~~\_\_\_\_\_ WHEREAS, the Company and I entered into an Employment  
Agreement dated as of September 20, 2001 (the "Employment  
Agreement"); and~~

~~\_\_\_\_\_ WHEREAS, the parties desire to amend the Employment  
Agreement as provided in this Amendment;~~

~~\_\_\_\_\_ NOW THEREFORE, in consideration of the mutual promises  
contained in this Amendment, the Company and I agree as follows:~~

~~\_\_\_\_\_ 1. Section IV(a) 3) of the Agreement is hereby amended in  
its entirety to read as follows:~~



~~"3) with regard to all restricted stock, stock appreciation rights, stock option awards or long term performance awards that I may have received, (i) all restrictions with respect to any restricted stock shall lapse; (ii) at my election, to be made in writing on or before the Termination Date, either (a) all stock appreciation rights and stock options shall be deemed fully vested and then canceled in exchange for a cash payment equal to the excess of the fair market value of the shares of Kaman Corporation stock subject to the stock appreciation right or stock option on the Termination Date over the exercise price(s) of such stock appreciation rights or stock options, or (b) all stock appreciation rights and stock options shall be deemed fully vested and, following the Termination Date, I shall have the right to exercise such stock appreciation rights and stock options for the periods provided by the Kaman Corporation 2003 Stock Incentive Plan, as amended; and (iii) each long term performance award shall be deemed fully vested and fully earned and then shall be canceled in exchange for a cash payment equal to 100% of the target value of such award multiplied by a fraction the numerator of which is the number of days elapsing from the date of grant of such award to the Termination Date and the denominator of which is the number of days constituting the full term of such award; and"~~

~~2. Except as expressly modified herein, all provisions of the Employment Agreement shall remain in full force and effect.~~

~~Page 1~~

~~In Witness Whereof, the parties have executed, or caused this Amendment to be executed on his or its behalf.~~

~~Robert M. Garneau~~

~~Date~~

~~Acknowledged and Agreed this 5th day of March, 2004.~~

~~Kaman Corporation~~

~~/s/ Paul R. Kuhn~~

~~By Paul R. Kuhn  
Its President and Chief Executive Officer~~



EXHIBIT 10g(vii)

~~\_\_\_\_\_ Amendment No. 1  
\_\_\_\_\_ to  
\_\_\_\_\_ Amended and Restated Employment Agreement~~

~~\_\_\_\_\_ This Amendment No. 1 is made as of February 17, 2004, by and  
between T. Jack Cahill ("I", "me", or "my") and Kaman Industrial  
Technologies Corporation ("Kaman" or "the Company").~~

~~\_\_\_\_\_ WITNESSETH:~~

~~\_\_\_\_\_ WHEREAS, the Company and I entered into an Employment  
Agreement dated as of September 20, 2001 (the "Employment  
Agreement"); and~~

~~\_\_\_\_\_ WHEREAS, the parties desire to amend the Employment  
Agreement as provided in this Amendment;~~

~~\_\_\_\_\_ NOW THEREFORE, in consideration of the mutual promises  
contained in this Amendment, the Company and I agree as follows:~~

~~\_\_\_\_\_ 1. Section IV(a) 3) of the Agreement is hereby amended in  
its entirety to read as follows:~~

~~"3) with regard to all restricted stock, stock appreciation rights, stock option awards or long term performance awards that I may have received, (i) all restrictions with respect to any restricted stock shall lapse; (ii) at my election, to be made in writing on or before the Termination Date, either (a) all stock appreciation rights and stock options shall be deemed fully vested and then canceled in exchange for a cash payment equal to the excess of the fair market value of the shares of Kaman Corporation stock subject to the stock appreciation right or stock option on the Termination Date over the exercise price(s) of such stock appreciation rights or stock options, or (b) all stock appreciation rights and stock options shall be deemed fully vested and, following the Termination Date, I shall have the right to exercise such stock appreciation rights and stock options for the periods provided by the Kaman Corporation 2003 Stock Incentive Plan, as amended; and (iii) each long term performance award shall be deemed fully vested and fully earned and then shall be canceled in exchange for a cash payment equal to 100% of the target value of such award multiplied by a fraction the numerator of which is the number of days elapsing from the date of grant of such award to the Termination Date and the denominator of which is the number of days constituting the full term of such award; and"~~

~~2. Except as expressly modified herein, all provisions of the Employment Agreement shall remain in full force and effect.~~

~~Page 1~~

~~In Witness Whereof, the parties have executed, or caused this Amendment to be executed on his or its behalf.~~

~~T. Jack Cahill~~

~~Date~~

~~Acknowledged and Agreed this 5th day of March, 2004.~~

~~Kaman Industrial Technologies Corporation~~

~~/s/ Robert M. Garneau~~

~~By Robert M. Garneau  
Its Vice President~~



EXHIBIT 10g(viii)

~~\_\_\_\_\_ Amendment No. 2  
\_\_\_\_\_ to  
\_\_\_\_\_ Amended and Restated Employment Agreement~~

~~\_\_\_\_\_ This Amendment No. 1 is made as of February 17, 2004, by and  
between Joseph H. Lubenstein ("I", "me", or "my") and Kaman  
Aerospace Corporation ("Kaman" or "the Company").~~

~~\_\_\_\_\_ WITNESSETH:~~

~~\_\_\_\_\_ WHEREAS, the Company and I entered into an Employment  
Agreement dated as of July 9, 2001 as amended (the "Employment  
Agreement"); and~~

~~\_\_\_\_\_ WHEREAS, the parties desire to amend the Employment  
Agreement as provided in this Amendment;~~

~~\_\_\_\_\_ NOW THEREFORE, in consideration of the mutual promises  
contained in this Amendment, the Company and I agree as follows:~~

~~\_\_\_\_\_ 1. Section IV(a) 3) of the Agreement is hereby amended in  
its entirety to read as follows:~~

~~"3) with regard to all restricted stock, stock appreciation rights, stock option awards or long term performance awards that I may have received, (i) all restrictions with respect to any restricted stock shall lapse; (ii) at my election, to be made in writing on or before the Termination Date, either (a) all stock appreciation rights and stock options shall be deemed fully vested and then canceled in exchange for a cash payment equal to the excess of the fair market value of the shares of Kaman Corporation stock subject to the stock appreciation right or stock option on the Termination Date over the exercise price(s) of such stock appreciation rights or stock options, or (b) all stock appreciation rights and stock options shall be deemed fully vested and, following the Termination Date, I shall have the right to exercise such stock appreciation rights and stock options for the periods provided by the Kaman Corporation 2003 Stock Incentive Plan, as amended; and (iii) each long term performance award shall be deemed fully vested and fully earned and then shall be canceled in exchange for a cash payment equal to 100% of the target value of such award multiplied by a fraction the numerator of which is the number of days elapsing from the date of grant of such award to the Termination Date and the denominator of which is the number of days constituting the full term of such award; and"~~

~~2. Except as expressly modified herein, all provisions of the Employment Agreement shall remain in full force and effect.~~

~~Page 1~~

~~In Witness Whereof, the parties have executed, or caused this Amendment to be executed on his or its behalf.~~

~~Joseph H. Lubenstein~~

~~Date~~

~~Acknowledged and Agreed this 5th day of March, 2004.~~

~~Kaman Aerospace Corporation~~

~~/s/ Robert M. Garneau~~

~~By Robert M. Garneau  
Its Vice President~~





EXHIBIT 10g(ix)

~~\_\_\_\_\_ Amendment No. 1  
\_\_\_\_\_ to  
\_\_\_\_\_ Amended and Restated Employment Agreement~~

~~\_\_\_\_\_ This Amendment No. 1 is made as of February 17, 2004, by and  
between Robert H. Saunders, Jr. ("I", "me", or "my") and Kaman  
Music Corporation ("Kaman" or "the Company").~~

~~\_\_\_\_\_ WITNESSETH:~~

~~\_\_\_\_\_ WHEREAS, the Company and I entered into an Employment  
Agreement dated as of September 20, 2001 (the "Employment  
Agreement"); and~~

~~\_\_\_\_\_ WHEREAS, the parties desire to amend the Employment  
Agreement as provided in this Amendment;~~

~~\_\_\_\_\_ NOW THEREFORE, in consideration of the mutual promises  
contained in this Amendment, the Company and I agree as follows:~~

~~\_\_\_\_\_ 1. Section IV(a) 3) of the Agreement is hereby amended in  
its entirety to read as follows:~~

~~"3) with regard to all restricted stock, stock appreciation rights, stock option awards or long term performance awards that I may have received, (i) all restrictions with respect to any restricted stock shall lapse; (ii) at my election, to be made in writing on or before the Termination Date, either (a) all stock appreciation rights and stock options shall be deemed fully vested and then canceled in exchange for a cash payment equal to the excess of the fair market value of the shares of Kaman Corporation stock subject to the stock appreciation right or stock option on the Termination Date over the exercise price(s) of such stock appreciation rights or stock options, or (b) all stock appreciation rights and stock options shall be deemed fully vested and, following the Termination Date, I shall have the right to exercise such stock appreciation rights and stock options for the periods provided by the Kaman Corporation 2003 Stock Incentive Plan, as amended; and (iii) each long term performance award shall be deemed fully vested and fully earned and then shall be canceled in exchange for a cash payment equal to 100% of the target value of such award multiplied by a fraction the numerator of which is the number of days elapsing from the date of grant of such award to the Termination Date and the denominator of which is the number of days constituting the full term of such award; and"~~

~~2. Except as expressly modified herein, all provisions of the Employment Agreement shall remain in full force and effect.~~

~~Page 1~~

~~In Witness Whereof, the parties have executed, or caused this Amendment to be executed on his or its behalf.~~

~~Robert H. Saunders, Jr.~~

~~Date~~

~~Acknowledged and Agreed this 5th day of March, 2004.~~

~~Kaman Music Corporation~~

~~/s/ Robert M. Garneau~~

~~By Robert M. Garneau  
Its Vice President~~



EXHIBIT 10g(x)

~~Second Addendum to Change In Control Agreement~~

~~This Second Addendum is made as of November 11, 2003 by and between KAMAN CORPORATION, a Connecticut corporation (the "Company"), and Candace A. Clark (the "Executive").~~

~~WHEREAS, the Company and the Executive entered into a Change in Control Agreement (the "Agreement") dated as of September 21, 1999; and~~

~~WHEREAS, the Company and the Executive entered into an Addendum to Change in Control Agreement dated as of September 11, 2001; and~~

~~WHEREAS, the Company and the Executive desire to further amend the Agreement as previously amended as hereinafter provided;~~

~~NOW, THEREFORE, in consideration of the premises and the mutual understandings herein contained, the Company and the Executive hereby further agree as follows:~~

~~1. Section 5.1(c) of the Agreement is hereby amended in its~~

entirety to read as follows:

~~"(c) Notwithstanding any provision to the contrary in any plan or agreement maintained by or through the Company pursuant to which the Executive has been granted restricted stock, stock options, stock appreciation rights or long term performance awards, effective on the Date of Termination, (i) all restrictions with respect to any restricted stock shall lapse, (ii) all stock appreciation rights and stock options shall be deemed fully vested and then canceled in exchange for a cash payment equal to the excess of the fair market value of the shares of Company stock subject to the stock appreciation right or stock option on the date of the Change in Control, over the exercise price(s) of such stock appreciation rights or stock options, and (iii) all long-term performance awards shall be deemed fully vested and fully earned and then shall be canceled in exchange for a cash payment equal to 100% of the target value of each such award."~~

~~2. Section 15(g) of the Agreement is hereby amended in its entirety to read as follows:~~

~~"(g) Any of the following events shall constitute the occurrence of a "Change in Control" for purposes of this Agreement:~~

~~Page 1~~

~~(I) any Person (as defined below) is or becomes the Beneficial Owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 35% or more of the then outstanding securities of the Company generally entitled to vote in the election of directors of the Company, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (III) below; or~~

~~(II) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on November 1, 2003, constituted the Board and any new director (other than a director whose initial assumption of office is a result of an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company and whose appointment or election was not approved by at least two thirds (2/3) of the directors of the Company in office immediately prior to any such contest) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two thirds (2/3) of the directors then in office; or~~

~~(III) there is consummated a Merger of the Company with any other business entity, other than (i) a Merger which would result in the securities of the Company generally entitled to vote in the election of directors of the Company outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding such securities under an employee benefit plan of the Company or any Subsidiary of the Company, at least 65% of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such Merger, generally entitled to vote in the election of directors of the Company or such surviving entity or any parent thereof and, in the case of such surviving entity or any parent thereof, of a class registered under Section 12 of the Exchange Act, or (ii) a Merger effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 35% or more of the then outstanding securities of the Company generally entitled to vote in the election of directors of the Company; or~~

~~(IV) (i) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated the sale or disposition by the~~

~~Company of all or substantially all of the Company's assets,~~

~~Page 2~~

~~other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity where the outstanding securities generally entitled to vote in the election of directors of the Company immediately prior to the sale continue to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof) 65% or more of the outstanding securities of such entity generally entitled to vote in the election of directors immediately after such sale and of a class registered under Section 12 of the Exchange Act, or (ii) a disposition or divestiture by the Company or any Subsidiary of the Company to any Person of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation, including, without intending to limit the foregoing, any such disposition or divestiture effected by (a) a sale of all or substantially all of the securities or all or substantially all of the assets of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation, (b) the Merger of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation with or into any Person, other than a Merger which would result in the voting securities of the Subsidiary party to such Merger outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 65% of the securities of such Subsidiary or such surviving entity or any parent thereof outstanding immediately after such Merger and generally entitled to vote in the election of directors of the Subsidiary or such surviving entity or parent thereof, or (c) a spin off, dividend or other distribution of all or substantially all of the securities or all or substantially all of the assets (or of the stock of a business entity owning such securities or assets) of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation to the Company's stockholders.~~

~~Within five (5) days after a Change in Control has occurred, the Company shall deliver to the Executive a written statement memorializing the date that the Change in Control occurred."~~

~~3. Section 15(h) of the Agreement is amended in its entirety to read as follows:~~

~~"(h) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and any successor Code, and related rules, regulations and interpretations."~~

~~4. Paragraph 15(o) is amended by amending the introductory clause thereof as follows:~~

~~Page 3~~

~~"(o) "Good Reason" for termination by the Executive of the Executive's employment shall mean the occurrence (without the Executive's express written consent) after any Change in Control (if more than one Change in Control has occurred, any reference to a Change in Control in this subsection (o) shall refer to the most recent Change in Control), of any one of the following acts by the Company, or failures by the Company to act, unless, in the case of any act or failure to act described in paragraph (I), (V), (VI), or (VII) below, such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof:"~~

~~5. A new definition of the term "Merger" is hereby added to the Agreement as new Section 15(x). Such new Section 15(x) shall read in its entirety as follows:~~

~~"(x) "Merger" means a merger, share exchange, consolidation or similar business combination under applicable law."~~

~~6. The definition of the term "Person" appearing in the Agreement as Section 15(r) is hereby amended in its entirety to read as follows:~~

~~"(r) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its direct or indirect Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions and with substantially the same voting rights as their ownership and voting rights with respect to the Company, (v) the voting trust established pursuant to a Voting Trust Agreement dated August 14, 2000 between John C. Yavis, Jr., as General Partner of Newgate Associates Limited Partnership and the trustees named therein (the "Newgate Voting Trust"), provided that the following individuals continue to constitute a majority of the voting trustees of that voting trust: individuals serving as trustees of the Newgate Voting Trust as of November 1, 2003 and individuals designated by the Board in accordance with the terms of that voting trust, provided no Change in Control pursuant to Section 15(g)(II) of this Agreement has occurred, (vi) the individuals referred to in the immediately preceding subsection (v) solely with respect to their status as Beneficial Owners of securities of the Company subject to the Newgate Voting Trust, (vii) Charles H. Kaman, any individual to whom he has directly granted a general power of attorney,~~

~~Page 4~~

~~or any entity created or controlled by him, provided that he and/or any attorneys in fact appointed directly by him possess and exercise, in person or by proxy solicited by the Board, the right to vote all securities of the Company generally entitled to vote in the election of directors of the Company, of which he, any such holder of his general power of attorney, or any such entity is the Beneficial Owner, and (viii) the holder of a general power of attorney and the attorneys in fact referred to in the immediately preceding subsection (vii) solely with respect to their status as Beneficial Owners of securities of the Company because of their appointment as such."~~

~~7. Section 15(t) is amended in its entirety to read as follows:~~

~~"(t) "Subsidiary" shall mean any corporation within the meaning of Section 424(f) of the Code."~~

~~8. Except as expressly modified herein, all provisions of the Agreement, as previously amended, shall remain in full force and effect.~~

~~IN WITNESS WHEREOF, the parties have executed this Second Addendum as of the date and year first above written.~~

~~KAMAN CORPORATION~~

~~By: /s/ Paul R. Kuhn~~

~~Gandace A. Clark~~

~~Name: Paul R. Kuhn~~

~~Title: President & CEO~~

~~Address:~~

~~290 Waterville Road  
Avon, CT 06001~~





EXHIBIT 10g(xi)

~~Second Addendum to Change In Control Agreement~~

~~This Second Addendum is made as of November 11, 2003 by and between KAMAN CORPORATION, a Connecticut corporation (the "Company"), and Ronald M. Galla (the "Executive").~~

~~WHEREAS, the Company and the Executive entered into a Change in Control Agreement (the "Agreement") dated as of September 21, 1999; and~~

~~WHEREAS, the Company and the Executive entered into an Addendum to Change in Control Agreement dated as of September 11, 2001; and~~

~~WHEREAS, the Company and the Executive desire to further amend the Agreement as previously amended as hereinafter provided;~~

~~NOW, THEREFORE, in consideration of the premises and the mutual understandings herein contained, the Company and the Executive hereby further agree as follows:~~

~~1. Section 5.1(c) of the Agreement is hereby amended in its~~

entirety to read as follows:

~~"(c) Notwithstanding any provision to the contrary in any plan or agreement maintained by or through the Company pursuant to which the Executive has been granted restricted stock, stock options, stock appreciation rights or long term performance awards, effective on the Date of Termination, (i) all restrictions with respect to any restricted stock shall lapse, (ii) all stock appreciation rights and stock options shall be deemed fully vested and then canceled in exchange for a cash payment equal to the excess of the fair market value of the shares of Company stock subject to the stock appreciation right or stock option on the date of the Change in Control, over the exercise price(s) of such stock appreciation rights or stock options, and (iii) all long-term performance awards shall be deemed fully vested and fully earned and then shall be canceled in exchange for a cash payment equal to 100% of the target value of each such award."~~

~~2. Section 15(g) of the Agreement is hereby amended in its entirety to read as follows:~~

~~"(g) Any of the following events shall constitute the occurrence of a "Change in Control" for purposes of this Agreement:~~

~~Page 1~~

~~(I) any Person (as defined below) is or becomes the Beneficial Owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 35% or more of the then outstanding securities of the Company generally entitled to vote in the election of directors of the Company, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (III) below; or~~

~~(II) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on November 1, 2003, constituted the Board and any new director (other than a director whose initial assumption of office is a result of an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company and whose appointment or election was not approved by at least two thirds (2/3) of the directors of the Company in office immediately prior to any such contest) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two thirds (2/3) of the directors then in office; or~~

~~(III) there is consummated a Merger of the Company with any other business entity, other than (i) a Merger which would result in the securities of the Company generally entitled to vote in the election of directors of the Company outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding such securities under an employee benefit plan of the Company or any Subsidiary of the Company, at least 65% of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such Merger, generally entitled to vote in the election of directors of the Company or such surviving entity or any parent thereof and, in the case of such surviving entity or any parent thereof, of a class registered under Section 12 of the Exchange Act, or (ii) a Merger effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 35% or more of the then outstanding securities of the Company generally entitled to vote in the election of directors of the Company; or~~

~~(IV) (i) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated the sale or disposition by the~~

~~Company of all or substantially all of the Company's assets,~~

~~Page 2~~

~~other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity where the outstanding securities generally entitled to vote in the election of directors of the Company immediately prior to the sale continue to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof) 65% or more of the outstanding securities of such entity generally entitled to vote in the election of directors immediately after such sale and of a class registered under Section 12 of the Exchange Act, or (ii) a disposition or divestiture by the Company or any Subsidiary of the Company to any Person of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation, including, without intending to limit the foregoing, any such disposition or divestiture effected by (a) a sale of all or substantially all of the securities or all or substantially all of the assets of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation, (b) the Merger of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation with or into any Person, other than a Merger which would result in the voting securities of the Subsidiary party to such Merger outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 65% of the securities of such Subsidiary or such surviving entity or any parent thereof outstanding immediately after such Merger and generally entitled to vote in the election of directors of the Subsidiary or such surviving entity or parent thereof, or (c) a spin off, dividend or other distribution of all or substantially all of the securities or all or substantially all of the assets (or of the stock of a business entity owning such securities or assets) of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation to the Company's stockholders.~~

~~Within five (5) days after a Change in Control has occurred, the Company shall deliver to the Executive a written statement memorializing the date that the Change in Control occurred."~~

~~3. Section 15(h) of the Agreement is amended in its entirety to read as follows:~~

~~"(h) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and any successor Code, and related rules, regulations and interpretations."~~

~~4. Paragraph 15(o) is amended by amending the introductory clause thereof as follows:~~

~~Page 3~~

~~"(o) "Good Reason" for termination by the Executive of the Executive's employment shall mean the occurrence (without the Executive's express written consent) after any Change in Control (if more than one Change in Control has occurred, any reference to a Change in Control in this subsection (o) shall refer to the most recent Change in Control), of any one of the following acts by the Company, or failures by the Company to act, unless, in the case of any act or failure to act described in paragraph (I), (V), (VI), or (VII) below, such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof:"~~

~~5. A new definition of the term "Merger" is hereby added to the Agreement as new Section 15(x). Such new Section 15(x) shall read in its entirety as follows:~~

~~"(x) "Merger" means a merger, share exchange, consolidation or similar business combination under applicable law."~~

~~6. The definition of the term "Person" appearing in the Agreement as Section 15(r) is hereby amended in its entirety to read as follows:~~

~~"(r) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its direct or indirect Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions and with substantially the same voting rights as their ownership and voting rights with respect to the Company, (v) the voting trust established pursuant to a Voting Trust Agreement dated August 14, 2000 between John C. Yavis, Jr., as General Partner of Newgate Associates Limited Partnership and the trustees named therein (the "Newgate Voting Trust"), provided that the following individuals continue to constitute a majority of the voting trustees of that voting trust: individuals serving as trustees of the Newgate Voting Trust as of November 1, 2003 and individuals designated by the Board in accordance with the terms of that voting trust, provided no Change in Control pursuant to Section 15(g)(II) of this Agreement has occurred, (vi) the individuals referred to in the immediately preceding subsection (v) solely with respect to their status as Beneficial Owners of securities of the Company subject to the Newgate Voting Trust, (vii) Charles H. Kaman, any individual to whom he has directly granted a general power of attorney,~~

~~Page 4~~

~~or any entity created or controlled by him, provided that he and/or any attorneys in fact appointed directly by him possess and exercise, in person or by proxy solicited by the Board, the right to vote all securities of the Company generally entitled to vote in the election of directors of the Company, of which he, any such holder of his general power of attorney, or any such entity is the Beneficial Owner, and (viii) the holder of a general power of attorney and the attorneys in fact referred to in the immediately preceding subsection (vii) solely with respect to their status as Beneficial Owners of securities of the Company because of their appointment as such."~~

~~7. Section 15(t) is amended in its entirety to read as follows:~~

~~"(t) "Subsidiary" shall mean any corporation within the meaning of Section 424(f) of the Code."~~

~~8. Except as expressly modified herein, all provisions of the Agreement, as previously amended, shall remain in full force and effect.~~

~~IN WITNESS WHEREOF, the parties have executed this Second Addendum as of the date and year first above written.~~

~~KAMAN CORPORATION~~

~~By: /s/ Paul R. Kuhn~~

~~Ronald M. Galla~~

~~Name: Paul R. Kuhn~~

~~Title: President & CEO~~

~~Address:~~

~~757 Palisado Avenue  
Windsor, CT 06095~~



EXHIBIT 10g(xii)

~~Second Addendum to Change In Control Agreement~~

~~This Second Addendum is made as of November 11, 2003 by and between KAMAN CORPORATION, a Connecticut corporation (the "Company"), and Robert M. Garneau (the "Executive").~~

~~WHEREAS, the Company and the Executive entered into a Change in Control Agreement (the "Agreement") dated as of September 21, 1999; and~~

~~WHEREAS, the Company and the Executive entered into an Addendum to Change in Control Agreement dated as of September 11, 2001; and~~

~~WHEREAS, the Company and the Executive desire to further amend the Agreement as previously amended as hereinafter provided;~~

~~NOW, THEREFORE, in consideration of the premises and the mutual understandings herein contained, the Company and the Executive hereby further agree as follows:~~

~~1. Section 5.1(c) of the Agreement is hereby amended in its~~

entirety to read as follows:

~~"(c) Notwithstanding any provision to the contrary in any plan or agreement maintained by or through the Company pursuant to which the Executive has been granted restricted stock, stock options, stock appreciation rights or long term performance awards, effective on the Date of Termination, (i) all restrictions with respect to any restricted stock shall lapse, (ii) all stock appreciation rights and stock options shall be deemed fully vested and then canceled in exchange for a cash payment equal to the excess of the fair market value of the shares of Company stock subject to the stock appreciation right or stock option on the date of the Change in Control, over the exercise price(s) of such stock appreciation rights or stock options, and (iii) all long-term performance awards shall be deemed fully vested and fully earned and then shall be canceled in exchange for a cash payment equal to 100% of the target value of each such award."~~

~~2. Section 15(g) of the Agreement is hereby amended in its entirety to read as follows:~~

~~"(g) Any of the following events shall constitute the occurrence of a "Change in Control" for purposes of this Agreement:~~

~~Page 1~~

~~(I) any Person (as defined below) is or becomes the Beneficial Owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 35% or more of the then outstanding securities of the Company generally entitled to vote in the election of directors of the Company, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (III) below; or~~

~~(II) the following individuals cease for any reason to constitute a majority of the number of directors then serving: individuals who, on November 1, 2003, constituted the Board and any new director (other than a director whose initial assumption of office is a result of an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Company and whose appointment or election was not approved by at least two thirds (2/3) of the directors of the Company in office immediately prior to any such contest) whose appointment or election by the Board or nomination for election by the Company's stockholders was approved or recommended by a vote of at least two thirds (2/3) of the directors then in office; or~~

~~(III) there is consummated a Merger of the Company with any other business entity, other than (i) a Merger which would result in the securities of the Company generally entitled to vote in the election of directors of the Company outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding such securities under an employee benefit plan of the Company or any Subsidiary of the Company, at least 65% of the securities of the Company or such surviving entity or any parent thereof outstanding immediately after such Merger, generally entitled to vote in the election of directors of the Company or such surviving entity or any parent thereof and, in the case of such surviving entity or any parent thereof, of a class registered under Section 12 of the Exchange Act, or (ii) a Merger effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 35% or more of the then outstanding securities of the Company generally entitled to vote in the election of directors of the Company; or~~

~~(IV) (i) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated the sale or disposition by the~~

~~Company of all or substantially all of the Company's assets,~~

~~Page 2~~

~~other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity where the outstanding securities generally entitled to vote in the election of directors of the Company immediately prior to the sale continue to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof) 65% or more of the outstanding securities of such entity generally entitled to vote in the election of directors immediately after such sale and of a class registered under Section 12 of the Exchange Act, or (ii) a disposition or divestiture by the Company or any Subsidiary of the Company to any Person of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation, including, without intending to limit the foregoing, any such disposition or divestiture effected by (a) a sale of all or substantially all of the securities or all or substantially all of the assets of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation, (b) the Merger of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation with or into any Person, other than a Merger which would result in the voting securities of the Subsidiary party to such Merger outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or any parent thereof) at least 65% of the securities of such Subsidiary or such surviving entity or any parent thereof outstanding immediately after such Merger and generally entitled to vote in the election of directors of the Subsidiary or such surviving entity or parent thereof, or (c) a spin off, dividend or other distribution of all or substantially all of the securities or all or substantially all of the assets (or of the stock of a business entity owning such securities or assets) of either Kaman Aerospace Corporation or Kaman Industrial Technologies Corporation to the Company's stockholders.~~

~~Within five (5) days after a Change in Control has occurred, the Company shall deliver to the Executive a written statement memorializing the date that the Change in Control occurred."~~

~~3. Section 15(h) of the Agreement is amended in its entirety to read as follows:~~

~~"(h) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and any successor Code, and related rules, regulations and interpretations."~~

~~4. Paragraph 15(o) is amended by amending the introductory clause thereof as follows:~~

~~Page 3~~

~~"(o) "Good Reason" for termination by the Executive of the Executive's employment shall mean the occurrence (without the Executive's express written consent) after any Change in Control (if more than one Change in Control has occurred, any reference to a Change in Control in this subsection (o) shall refer to the most recent Change in Control), of any one of the following acts by the Company, or failures by the Company to act, unless, in the case of any act or failure to act described in paragraph (I), (V), (VI), or (VII) below, such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof:"~~

~~5. A new definition of the term "Merger" is hereby added to the Agreement as new Section 15(x). Such new Section 15(x) shall read in its entirety as follows:~~

~~"(x) "Merger" means a merger, share exchange, consolidation or similar business combination under applicable law."~~



~~6. The definition of the term "Person" appearing in the Agreement as Section 15(r) is hereby amended in its entirety to read as follows:~~

~~"(r) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its direct or indirect Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions and with substantially the same voting rights as their ownership and voting rights with respect to the Company, (v) the voting trust established pursuant to a Voting Trust Agreement dated August 14, 2000 between John C. Yavis, Jr., as General Partner of Newgate Associates Limited Partnership and the trustees named therein (the "Newgate Voting Trust"), provided that the following individuals continue to constitute a majority of the voting trustees of that voting trust: individuals serving as trustees of the Newgate Voting Trust as of November 1, 2003 and individuals designated by the Board in accordance with the terms of that voting trust, provided no Change in Control pursuant to Section 15(g)(II) of this Agreement has occurred, (vi) the individuals referred to in the immediately preceding subsection (v) solely with respect to their status as Beneficial Owners of securities of the Company subject to the Newgate Voting Trust, (vii) Charles H. Kaman, any individual to whom he has directly granted a general power of attorney,~~

~~Page 4~~

~~or any entity created or controlled by him, provided that he and/or any attorneys in fact appointed directly by him possess and exercise, in person or by proxy solicited by the Board, the right to vote all securities of the Company generally entitled to vote in the election of directors of the Company, of which he, any such holder of his general power of attorney, or any such entity is the Beneficial Owner, and (viii) the holder of a general power of attorney and the attorneys in fact referred to in the immediately preceding subsection (vii) solely with respect to their status as Beneficial Owners of securities of the Company because of their appointment as such."~~

~~7. Section 15(t) is amended in its entirety to read as follows:~~

~~"(t) "Subsidiary" shall mean any corporation within the meaning of Section 424(f) of the Code."~~

~~8. Except as expressly modified herein, all provisions of the Agreement, as previously amended, shall remain in full force and effect.~~

~~IN WITNESS WHEREOF, the parties have executed this Second Addendum as of the date and year first above written.~~

~~KAMAN CORPORATION~~

~~By: /s/ Paul R. Kuhn~~

~~Robert M. Garneau~~

~~Name: Paul R. Kuhn~~

~~Title: President & CEO~~

~~Address:~~

~~47 Bittersweet Lane  
South Glastonbury, CT 06073 2401~~



~~EXHIBIT 10g(xiii)~~

~~Second Addendum to Change In Control Agreement~~

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~~This Second Addendum is made as of November 11, 2003 by and between Kaman Industrial Technologies Corporation, a Connecticut corporation (the "Company"), and T. Jack Cahill (the "Executive").~~

~~WHEREAS, the Company and the Executive entered into a Change in Control Agreement (the "Agreement") dated as of September 21, 1999; and~~

~~WHEREAS, the Company and the Executive entered into an Addendum to Change in Control Agreement dated as of September 11, 2001; and~~

~~WHEREAS, the Company and the Executive desire to further amend the Agreement as previously amended as hereinafter provided;~~

~~NOW, THEREFORE, in consideration of the premises and the mutual understandings herein contained, the Company and the Executive hereby further agree as follows:~~

~~1. Section 5.1(c) of the Agreement is hereby amended in its entirety to read as follows:~~

~~"(c) Notwithstanding any provision to the contrary in any plan or agreement maintained by or through the Company pursuant to which the Executive has been granted restricted stock, stock options, stock appreciation rights or long term performance awards, effective on the Date of Termination, (i) all restrictions with respect to any restricted stock shall lapse, (ii) all stock appreciation rights and stock options shall be deemed fully vested and then canceled in exchange for a cash payment equal to the excess of the fair market value of the shares of Company stock subject to the stock appreciation right or stock option on the date of the Change in Control, over the exercise price(s) of such stock appreciation rights or stock options, and (iii) all long-term performance awards shall be deemed fully vested and fully earned and then shall be canceled in exchange for a cash payment equal to 100% of the target value of each such award."~~

~~2. Section 15(g) of the Agreement is hereby amended in its entirety to read as follows:~~

~~"(g) Any of the following events shall constitute the occurrence of a "Change in Control" for purposes of this Agreement:~~

~~(I) any Person (as defined below) is or becomes the Beneficial Owner (as defined in Rule 13d-3 under the Exchange~~

~~Page 1~~

~~Act), directly or indirectly, of securities of (i) the Parent Company representing 35% or more of the then outstanding securities of the Parent Company generally entitled to vote in the election of directors of the Parent Company, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (II) below, or (ii) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of (i) the Company representing 35% or more of the then outstanding securities of the Company generally entitled to vote in the election of directors of the Company, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (III) below; or~~

~~(II) there is consummated a Merger of the Parent Company with any other business entity, other than (i) a Merger which would result in the securities of the Parent Company generally entitled to vote in the election of directors of the Parent Company outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding such securities under an employee benefit plan of the Parent Company or any Subsidiary of the Parent Company, at least 65% of the securities of the Parent Company or such surviving entity or any parent thereof outstanding immediately after such Merger and generally entitled to vote in the election of directors of the Parent Company or such surviving entity or any parent thereof and, in the case of such surviving entity or any parent thereof, of a class registered under Section 12 of the Exchange Act, or (ii) a Merger effected to implement a recapitalization of the Parent Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Parent Company representing 35% or more of the then outstanding securities of the Parent Company generally entitled to vote in the election of directors of the Parent Company; or~~

~~(III) there is consummated a Merger of the Company with any other business entity, other than (i) a Merger which would result in the securities of the Company generally entitled to vote in the election of directors of the Company outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding such securities under an employee benefit plan of the Company or any Subsidiary of the Company, at least 65% of the securities of the Company or~~

~~such surviving entity or any parent thereof outstanding~~

~~Page 2~~

~~immediately after such Merger and generally entitled to vote in the election of directors of the Company or such surviving entity or any parent thereof, or (ii) a Merger effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 35% or more of the then outstanding securities of the Company generally entitled to vote in the election of directors of the Company, (iii) any Merger with another direct or indirect Subsidiary of the Parent Company, or (iv) any Merger of the Company with a Subsidiary of the Company;~~

~~(IV) the stockholders of the Parent Company approve a plan of complete liquidation or dissolution of the Parent Company or there is consummated the sale or disposition by the Parent Company of all or substantially all of the Parent Company's assets, other than a sale or disposition by the Parent Company of all or substantially all of the Parent Company's assets to an entity where the outstanding securities generally entitled to vote in the election of directors of the Parent Company immediately prior to the sale continue to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof) 65% or more of the outstanding securities of such entity generally entitled to vote in the election of directors immediately after such sale and of a class registered under Section 12 of the Exchange Act;~~

~~(V) the following individuals cease for any reason to constitute a majority of the number of directors of the board of directors of the Parent Company then serving: individuals who, on November 1, 2003, constituted the board of directors of the Parent Company and any new director (other than a director whose initial assumption of office is a result of an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Parent Company and whose appointment or election was not approved by at least two thirds (2/3) of the directors of the Parent Company in office immediately prior to any such contest) whose appointment or election by the board of directors of the Parent Company or nomination for election by the Parent Company's stockholders was approved or recommended by a vote of at least two thirds (2/3) of the directors then in office;~~

~~(VI) there is consummated the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, of which at least 65% of the outstanding securities generally entitled to vote in the election of directors are~~

~~Page 3~~

~~owned by the Parent Company or a direct or indirect Subsidiary of the Parent Company.~~

~~Notwithstanding the foregoing, a Change in Control shall not be deemed to occur in the event of a distribution or spin off of shares of the capital stock of the Company to the shareholders of the Parent Company and this Agreement shall terminate on the date that such distribution or spin off is effectuated.~~

~~Within five (5) days after a Change in Control has occurred, the Company shall deliver to the Executive a written statement memorializing the date that the Change in Control occurred."~~

~~3. Section 15(h) of the Agreement is amended in its entirety to read as follows:~~

~~"(h) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and any successor Code,~~

~~and related rules, regulations and interpretations."~~

~~4. Paragraph 15(o) is amended by amending the introductory clause thereof as follows:~~

~~"(o) "Good Reason" for termination by the Executive of the Executive's employment shall mean the occurrence (without the Executive's express written consent) after any Change in Control (if more than one Change in Control has occurred, any reference to a Change in Control in this subsection (o) shall refer to the most recent Change in Control), of any one of the following acts by the Company, or failures by the Company to act, unless, in the case of any act or failure to act described in paragraph (I), (V), (VI), or (VII) below, such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof:"~~

~~5. A new definition of the term "Merger" is hereby added to the Agreement as new Section 15(z). Such new Section 15(z) shall read in its entirety as follows:~~

~~"(z) Merger" means a merger, share exchange, consolidation or similar business combination under applicable law."~~

~~6. The definition of the term "Person" appearing in the Agreement as Section 15(s) is hereby amended in its entirety to read as follows:~~

~~Page 4~~

~~"(s) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its direct or indirect Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions and with substantially the same voting rights as their ownership and voting rights with respect to the Company, (v) the voting trust established pursuant to a Voting Trust Agreement dated August 14, 2000 between John C. Yavis, Jr., as General Partner of Newgate Associates Limited Partnership and the trustees named therein (the "Newgate Voting Trust"), provided that the following individuals continue to constitute a majority of the voting trustees of that voting trust: individuals serving as trustees of the Newgate Voting Trust as of November 1, 2003 and individuals designated by the Board in accordance with the terms of that voting trust, provided no Change in Control pursuant to Section 15(g)(II) of this Agreement has occurred, (vi) the individuals referred to in the immediately preceding subsection (v) solely with respect to their status as Beneficial Owners of securities of the Company subject to the Newgate Voting Trust, (vii) Charles H. Kaman, any individual to whom he has directly granted a general power of attorney, or any entity created or controlled by him, provided that he and/or any attorneys in fact appointed directly by him possess and exercise, in person or by proxy solicited by the Board, the right to vote all securities of the Company generally entitled to vote in the election of directors of the Company, of which he, any such holder of his general power of attorney, or any such entity is the Beneficial Owner, and (viii) the holder of a general power of attorney and the attorneys in fact referred to in the immediately preceding subsection (vii) solely with respect to their status as Beneficial Owners of securities of the Company because of their appointment as such."~~

~~7. Section 15(u) is amended in its entirety to read as follows:~~

~~"(u) "Subsidiary" shall mean any corporation within the meaning of Section 424(f) of the Code."~~

~~8. Except as expressly modified herein, all provisions of the Agreement, as previously amended, shall remain in full force and effect.~~

~~Page 5~~

~~IN WITNESS WHEREOF, the parties have executed this Second Addendum as of the date and year first above written.~~

~~Kaman Industrial Technologies Corporation~~

~~By /s/ Robert M. Garneau~~

~~T. Jack Cahill~~

~~Name: Robert M. Garneau~~

~~Title: Vice President~~

~~Address:~~

~~9 Whitman Pond Road~~

~~Simsbury, CT 06070~~

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~~EXHIBIT 10g(xiv)~~

~~Second Addendum to Change In Control Agreement~~

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~~This Second Addendum is made as of November 11, 2003 by and between Kaman Aerospace Corporation, a Connecticut corporation (the "Company"), and Joseph H. Lubenstein. (the "Executive").~~

~~WHEREAS, the Company and the Executive entered into a Change in Control Agreement (the "Agreement") dated as of July 9, 2001; and~~

~~WHEREAS, the Company and the Executive entered into an Addendum to Change in Control Agreement dated as of September 11, 2001; and~~

~~WHEREAS, the Company and the Executive desire to further amend the Agreement as previously amended as hereinafter provided;~~

~~NOW, THEREFORE, in consideration of the premises and the mutual understandings herein contained, the Company and the Executive hereby further agree as follows:~~

~~1. Section 5.1(c) of the Agreement is hereby amended in its entirety to read as follows:~~



~~"(c) Notwithstanding any provision to the contrary in any plan or agreement maintained by or through the Company pursuant to which the Executive has been granted restricted stock, stock options, stock appreciation rights or long term performance awards, effective on the Date of Termination, (i) all restrictions with respect to any restricted stock shall lapse, (ii) all stock appreciation rights and stock options shall be deemed fully vested and then canceled in exchange for a cash payment equal to the excess of the fair market value of the shares of Company stock subject to the stock appreciation right or stock option on the date of the Change in Control, over the exercise price(s) of such stock appreciation rights or stock options, and (iii) all long-term performance awards shall be deemed fully vested and fully earned and then shall be canceled in exchange for a cash payment equal to 100% of the target value of each such award."~~

~~2. Section 15(g) of the Agreement is hereby amended in its entirety to read as follows:~~

~~"(g) Any of the following events shall constitute the occurrence of a "Change in Control" for purposes of this Agreement:~~

~~(I) any Person (as defined below) is or becomes the Beneficial Owner (as defined in Rule 13d-3 under the Exchange~~

~~Page 1~~

~~Act), directly or indirectly, of securities of (i) the Parent Company representing 35% or more of the then outstanding securities of the Parent Company generally entitled to vote in the election of directors of the Parent Company, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (II) below, or (ii) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of (i) the Company representing 35% or more of the then outstanding securities of the Company generally entitled to vote in the election of directors of the Company, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (III) below; or~~

~~(II) there is consummated a Merger of the Parent Company with any other business entity, other than (i) a Merger which would result in the securities of the Parent Company generally entitled to vote in the election of directors of the Parent Company outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding such securities under an employee benefit plan of the Parent Company or any Subsidiary of the Parent Company, at least 65% of the securities of the Parent Company or such surviving entity or any parent thereof outstanding immediately after such Merger and generally entitled to vote in the election of directors of the Parent Company or such surviving entity or any parent thereof and, in the case of such surviving entity or any parent thereof, of a class registered under Section 12 of the Exchange Act, or (ii) a Merger effected to implement a recapitalization of the Parent Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Parent Company representing 35% or more of the then outstanding securities of the Parent Company generally entitled to vote in the election of directors of the Parent Company; or~~

~~(III) there is consummated a Merger of the Company with any other business entity, other than (i) a Merger which would result in the securities of the Company generally entitled to vote in the election of directors of the Company outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding such securities under an employee benefit plan of the Company or any Subsidiary of the Company, at least 65% of the securities of the Company or~~

~~such surviving entity or any parent thereof outstanding~~

~~Page 2~~

~~immediately after such Merger and generally entitled to vote in the election of directors of the Company or such surviving entity or any parent thereof, or (ii) a Merger effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 35% or more of the then outstanding securities of the Company generally entitled to vote in the election of directors of the Company, (iii) any Merger with another direct or indirect Subsidiary of the Parent Company, or (iv) any Merger of the Company with a Subsidiary of the Company;~~

~~(IV) the stockholders of the Parent Company approve a plan of complete liquidation or dissolution of the Parent Company or there is consummated the sale or disposition by the Parent Company of all or substantially all of the Parent Company's assets, other than a sale or disposition by the Parent Company of all or substantially all of the Parent Company's assets to an entity where the outstanding securities generally entitled to vote in the election of directors of the Parent Company immediately prior to the sale continue to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof) 65% or more of the outstanding securities of such entity generally entitled to vote in the election of directors immediately after such sale and of a class registered under Section 12 of the Exchange Act;~~

~~(V) the following individuals cease for any reason to constitute a majority of the number of directors of the board of directors of the Parent Company then serving: individuals who, on November 1, 2003, constituted the board of directors of the Parent Company and any new director (other than a director whose initial assumption of office is a result of an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Parent Company and whose appointment or election was not approved by at least two thirds (2/3) of the directors of the Parent Company in office immediately prior to any such contest) whose appointment or election by the board of directors of the Parent Company or nomination for election by the Parent Company's stockholders was approved or recommended by a vote of at least two thirds (2/3) of the directors then in office;~~

~~(VI) there is consummated the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, of which at least 65% of the outstanding securities generally entitled to vote in the election of directors are~~

~~Page 3~~

~~owned by the Parent Company or a direct or indirect Subsidiary of the Parent Company.~~

~~Notwithstanding the foregoing, a Change in Control shall not be deemed to occur in the event of a distribution or spin off of shares of the capital stock of the Company to the shareholders of the Parent Company and this Agreement shall terminate on the date that such distribution or spin off is effectuated.~~

~~Within five (5) days after a Change in Control has occurred, the Company shall deliver to the Executive a written statement memorializing the date that the Change in Control occurred."~~

~~3. Section 15(h) of the Agreement is amended in its entirety to read as follows:~~

~~"(h) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and any successor Code,~~

~~and related rules, regulations and interpretations."~~

~~4. Paragraph 15(o) is amended by amending the introductory clause thereof as follows:~~

~~"(o) "Good Reason" for termination by the Executive of the Executive's employment shall mean the occurrence (without the Executive's express written consent) after any Change in Control (if more than one Change in Control has occurred, any reference to a Change in Control in this subsection (o) shall refer to the most recent Change in Control), of any one of the following acts by the Company, or failures by the Company to act, unless, in the case of any act or failure to act described in paragraph (I), (V), (VI), or (VII) below, such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof:"~~

~~5. A new definition of the term "Merger" is hereby added to the Agreement as new Section 15(z). Such new Section 15(z) shall read in its entirety as follows:~~

~~"(z) Merger" means a merger, share exchange, consolidation or similar business combination under applicable law."~~

~~6. The definition of the term "Person" appearing in the Agreement as Section 15(s) is hereby amended in its entirety to read as follows:~~

~~Page 4~~

~~"(s) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its direct or indirect Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions and with substantially the same voting rights as their ownership and voting rights with respect to the Company, (v) the voting trust established pursuant to a Voting Trust Agreement dated August 14, 2000 between John C. Yavis, Jr., as General Partner of Newgate Associates Limited Partnership and the trustees named therein (the "Newgate Voting Trust"), provided that the following individuals continue to constitute a majority of the voting trustees of that voting trust: individuals serving as trustees of the Newgate Voting Trust as of November 1, 2003 and individuals designated by the Board in accordance with the terms of that voting trust, provided no Change in Control pursuant to Section 15(g)(II) of this Agreement has occurred, (vi) the individuals referred to in the immediately preceding subsection (v) solely with respect to their status as Beneficial Owners of securities of the Company subject to the Newgate Voting Trust, (vii) Charles H. Kaman, any individual to whom he has directly granted a general power of attorney, or any entity created or controlled by him, provided that he and/or any attorneys in fact appointed directly by him possess and exercise, in person or by proxy solicited by the Board, the right to vote all securities of the Company generally entitled to vote in the election of directors of the Company, of which he, any such holder of his general power of attorney, or any such entity is the Beneficial Owner, and (viii) the holder of a general power of attorney and the attorneys in fact referred to in the immediately preceding subsection (vii) solely with respect to their status as Beneficial Owners of securities of the Company because of their appointment as such."~~

~~7. Section 15(u) is amended in its entirety to read as follows:~~

~~"(u) "Subsidiary" shall mean any corporation within the meaning of Section 424(f) of the Code."~~

~~8. Except as expressly modified herein, all provisions of the Agreement, as previously amended, shall remain in full force and effect.~~

~~Page 5~~

~~IN WITNESS WHEREOF, the parties have executed this Second Addendum as of the date and year first above written.~~

~~Kaman Music Corporation~~

~~By /s/ Robert M. Garneau~~

~~Joseph H. Lubenstein~~

~~Name: Robert M. Garneau~~

~~Title: Vice President~~

~~Address:~~

~~108 Millington Road  
East Haddam, CT 06423~~

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EXHIBIT 10g(xv)

~~Second Addendum to Change In Control Agreement~~

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~~This Second Addendum is made as of November 11, 2003 by and between Kaman Music Corporation, a Connecticut corporation (the "Company"), and Robert H. Saunders, Jr. (the "Executive").~~

~~WHEREAS, the Company and the Executive entered into a Change in Control Agreement (the "Agreement") dated as of September 21, 1999; and~~

~~WHEREAS, the Company and the Executive entered into an Addendum to Change in Control Agreement dated as of September 11, 2001; and~~

~~WHEREAS, the Company and the Executive desire to further amend the Agreement as previously amended as hereinafter provided;~~

~~NOW, THEREFORE, in consideration of the premises and the mutual understandings herein contained, the Company and the Executive hereby further agree as follows:~~

~~1. Section 5.1(c) of the Agreement is hereby amended in its entirety to read as follows:~~

~~"(c) Notwithstanding any provision to the contrary in any plan or agreement maintained by or through the Company pursuant to which the Executive has been granted restricted stock, stock options, stock appreciation rights or long term performance awards, effective on the Date of Termination, (i) all restrictions with respect to any restricted stock shall lapse, (ii) all stock appreciation rights and stock options shall be deemed fully vested and then canceled in exchange for a cash payment equal to the excess of the fair market value of the shares of Company stock subject to the stock appreciation right or stock option on the date of the Change in Control, over the exercise price(s) of such stock appreciation rights or stock options, and (iii) all long-term performance awards shall be deemed fully vested and fully earned and then shall be canceled in exchange for a cash payment equal to 100% of the target value of each such award."~~

~~2. Section 15(g) of the Agreement is hereby amended in its entirety to read as follows:~~

~~"(g) Any of the following events shall constitute the occurrence of a "Change in Control" for purposes of this Agreement:~~

~~(I) any Person (as defined below) is or becomes the Beneficial Owner (as defined in Rule 13d-3 under the Exchange~~

~~Page 1~~

~~Act), directly or indirectly, of securities of (i) the Parent Company representing 35% or more of the then outstanding securities of the Parent Company generally entitled to vote in the election of directors of the Parent Company, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (II) below, or (ii) any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of (i) the Company representing 35% or more of the then outstanding securities of the Company generally entitled to vote in the election of directors of the Company, excluding any Person who becomes such a Beneficial Owner in connection with a transaction described in clause (i) of paragraph (III) below; or~~

~~(II) there is consummated a Merger of the Parent Company with any other business entity, other than (i) a Merger which would result in the securities of the Parent Company generally entitled to vote in the election of directors of the Parent Company outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding such securities under an employee benefit plan of the Parent Company or any Subsidiary of the Parent Company, at least 65% of the securities of the Parent Company or such surviving entity or any parent thereof outstanding immediately after such Merger and generally entitled to vote in the election of directors of the Parent Company or such surviving entity or any parent thereof and, in the case of such surviving entity or any parent thereof, of a class registered under Section 12 of the Exchange Act, or (ii) a Merger effected to implement a recapitalization of the Parent Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Parent Company representing 35% or more of the then outstanding securities of the Parent Company generally entitled to vote in the election of directors of the Parent Company; or~~

~~(III) there is consummated a Merger of the Company with any other business entity, other than (i) a Merger which would result in the securities of the Company generally entitled to vote in the election of directors of the Company outstanding immediately prior to such Merger continuing to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof), in combination with the ownership of any trustee or other fiduciary holding such securities under an employee benefit plan of the Company or any Subsidiary of the Company, at least 65% of the securities of the Company or~~

~~such surviving entity or any parent thereof outstanding~~

~~Page 2~~

~~immediately after such Merger and generally entitled to vote in the election of directors of the Company or such surviving entity or any parent thereof, or (ii) a Merger effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 35% or more of the then outstanding securities of the Company generally entitled to vote in the election of directors of the Company, (iii) any Merger with another direct or indirect Subsidiary of the Parent Company, or (iv) any Merger of the Company with a Subsidiary of the Company;~~

~~(IV) the stockholders of the Parent Company approve a plan of complete liquidation or dissolution of the Parent Company or there is consummated the sale or disposition by the Parent Company of all or substantially all of the Parent Company's assets, other than a sale or disposition by the Parent Company of all or substantially all of the Parent Company's assets to an entity where the outstanding securities generally entitled to vote in the election of directors of the Parent Company immediately prior to the sale continue to represent (either by remaining outstanding or by being converted into such securities of the surviving entity or any parent thereof) 65% or more of the outstanding securities of such entity generally entitled to vote in the election of directors immediately after such sale and of a class registered under Section 12 of the Exchange Act;~~

~~(V) the following individuals cease for any reason to constitute a majority of the number of directors of the board of directors of the Parent Company then serving: individuals who, on November 1, 2003, constituted the board of directors of the Parent Company and any new director (other than a director whose initial assumption of office is a result of an actual or threatened election contest, including but not limited to a consent solicitation, relating to the election of directors of the Parent Company and whose appointment or election was not approved by at least two thirds (2/3) of the directors of the Parent Company in office immediately prior to any such contest) whose appointment or election by the board of directors of the Parent Company or nomination for election by the Parent Company's stockholders was approved or recommended by a vote of at least two thirds (2/3) of the directors then in office;~~

~~(VI) there is consummated the sale or disposition by the Company of all or substantially all of the Company's assets, other than a sale or disposition by the Company of all or substantially all of the Company's assets to an entity, of which at least 65% of the outstanding securities generally entitled to vote in the election of directors are~~

~~Page 3~~

~~owned by the Parent Company or a direct or indirect Subsidiary of the Parent Company.~~

~~Notwithstanding the foregoing, a Change in Control shall not be deemed to occur in the event of a distribution or spin off of shares of the capital stock of the Company to the shareholders of the Parent Company and this Agreement shall terminate on the date that such distribution or spin off is effectuated.~~

~~Within five (5) days after a Change in Control has occurred, the Company shall deliver to the Executive a written statement memorializing the date that the Change in Control occurred."~~

~~3. Section 15(h) of the Agreement is amended in its entirety to read as follows:~~

~~"(h) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, and any successor Code,~~

~~and related rules, regulations and interpretations."~~

~~4. Paragraph 15(o) is amended by amending the introductory clause thereof as follows:~~

~~"(o) "Good Reason" for termination by the Executive of the Executive's employment shall mean the occurrence (without the Executive's express written consent) after any Change in Control (if more than one Change in Control has occurred, any reference to a Change in Control in this subsection (o) shall refer to the most recent Change in Control), of any one of the following acts by the Company, or failures by the Company to act, unless, in the case of any act or failure to act described in paragraph (I), (V), (VI), or (VII) below, such act or failure to act is corrected prior to the Date of Termination specified in the Notice of Termination given in respect thereof:"~~

~~5. A new definition of the term "Merger" is hereby added to the Agreement as new Section 15(z). Such new Section 15(z) shall read in its entirety as follows:~~

~~"(z) Merger" means a merger, share exchange, consolidation or similar business combination under applicable law."~~

~~6. The definition of the term "Person" appearing in the Agreement as Section 15(s) is hereby amended in its entirety to read as follows:~~

~~Page 4~~

~~"(s) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof, except that such term shall not include (i) the Company or any of its direct or indirect Subsidiaries, (ii) a trustee or other fiduciary holding securities under an employee benefit plan of the Company, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions and with substantially the same voting rights as their ownership and voting rights with respect to the Company, (v) the voting trust established pursuant to a Voting Trust Agreement dated August 14, 2000 between John C. Yavis, Jr., as General Partner of Newgate Associates Limited Partnership and the trustees named therein (the "Newgate Voting Trust"), provided that the following individuals continue to constitute a majority of the voting trustees of that voting trust: individuals serving as trustees of the Newgate Voting Trust as of November 1, 2003 and individuals designated by the Board in accordance with the terms of that voting trust, provided no Change in Control pursuant to Section 15(g)(II) of this Agreement has occurred, (vi) the individuals referred to in the immediately preceding subsection (v) solely with respect to their status as Beneficial Owners of securities of the Company subject to the Newgate Voting Trust, (vii) Charles H. Kaman, any individual to whom he has directly granted a general power of attorney, or any entity created or controlled by him, provided that he and/or any attorneys in fact appointed directly by him possess and exercise, in person or by proxy solicited by the Board, the right to vote all securities of the Company generally entitled to vote in the election of directors of the Company, of which he, any such holder of his general power of attorney, or any such entity is the Beneficial Owner, and (viii) the holder of a general power of attorney and the attorneys in fact referred to in the immediately preceding subsection (vii) solely with respect to their status as Beneficial Owners of securities of the Company because of their appointment as such."~~

~~7. Section 15(u) is amended in its entirety to read as follows:~~

~~"(u) "Subsidiary" shall mean any corporation within the meaning of Section 424(f) of the Code."~~



~~8. Except as expressly modified herein, all provisions of the Agreement, as previously amended, shall remain in full force and effect.~~

~~Page 5~~

~~IN WITNESS WHEREOF, the parties have executed this Second Addendum as of the date and year first above written.~~

~~Kaman Music Corporation~~

~~By  
Robert H. Saunders, Jr. Name: Robert M. Garneau  
Title: Vice President  
Address:~~

~~837 Neipsic Road  
Glastonbury, CT 06033~~

~~Page 5~~

...  
EXHIBIT 10g(xvi)

\_\_\_\_\_  
EMPLOYMENT AGREEMENT

~~This Agreement is made as of February 17, 2004, ("Effective Date")  
by and between Russell H. Jones ("I", "me", or "my") and Kaman  
Corporation ("Kaman" or "the Company").~~

\_\_\_\_\_  
WITNESSETH:

~~WHEREAS, the Company and I have established an employment  
relationship; and~~

~~WHEREAS, the parties desire to continue the employment  
relationship on the terms and conditions contained in this  
Agreement;~~

~~NOW THEREFORE, in consideration of the mutual promises contained  
in this Agreement, the Company and I agree as follows:~~

~~I. (a) I will abide by all of Kaman's rules and regulations now  
or hereafter established and agree that the posting of any such  
rules or regulations on the bulletin boards of the various  
departments and/or as listed in any employee handbooks will  
constitute personal notice thereof to me. I understand that no  
statements made in any such publications or elsewhere shall~~

~~operate to change the terms and conditions of my employment as described in this Agreement.~~

~~—(b) I understand and agree that I may become aware of certain secret and/or confidential information during the course of my employment and such information includes, but is not limited to, that pertaining to methods, processes, designs, equipment, catalogues, computer disks, customer lists, inventions, sales and operating procedures. I agree that all tangible confidential information such as computer disks, reports, customer lists, etc. are the sole property of Kaman and I agree that upon termination of employment with Kaman, I will return, on demand, any and all confidential information in my possession. During and after my employment, I will disclose to Kaman and will not divulge or appropriate to my own use or to the use of others, including any other employer, any such confidential information or knowledge obtained by me during such employment, whether in tangible or intangible form, including, but not limited to data, plans, decisions, methods, processes, designs, equipment, catalogues, customer lists, inventions, and sales and operating procedures.~~

~~—(c) Recognizing that, by virtue of my employment, I may learn information, not generally available, concerning business methods, customer lists or other trade secrets, I agree that during my employment I will not, directly or indirectly, become connected with, promote the interest of, or engage in any other business or~~

~~Page 1~~

~~activity competing with the business to which my employment relates within the geographical area in which the business of the Company is conducted. I further agree that if any court or arbitrator should find this covenant and agreement against competition not to be reasonable as to the scope of prohibited activities, then such portion of this covenant and agreement held to be unreasonable shall be regarded as severable and stricken from this Agreement, and such covenant and agreement shall be of full force and effect for the activities which are determined not to be unreasonable.~~

~~—(d) I will treat as for Kaman's sole benefit, and fully and promptly disclose and assign to Kaman without additional compensation, all ideas, discoveries, inventions and improvements, patentable or not, which, while I am employed, are made, conceived or reduced to practice by me, alone or with others, during or after usual working hours either on or off my job, and which are related directly or indirectly to Kaman's business or interest or which result from tasks assigned to me by Kaman.~~

~~—(e) I agree, at Kaman's expense, at any time during or after my employment, to sign all papers and do such other acts reasonably required of me to protect Kaman's rights to said ideas, discoveries, inventions and improvements, including applying for, obtaining and enforcing patents on said discoveries, inventions, improvements in any and all countries.~~

~~—(f) I represent that there are no agreements, understandings or legal requirements applicable to me which prohibit the execution of this Agreement or prohibit or otherwise limit the performance of my obligations hereunder or my duties as an employee of the Company nor will the execution of this Agreement and the performance of my obligations or duties result in a conflict of interest between me and any other party.~~

~~II. I understand that, as an employee of Kaman, I owe a duty of loyalty to Kaman. As part of this duty of loyalty, I will:~~

~~—(a) avoid personal investment, interests or associations which might interfere with the independent exercise of my judgment on business related matters;~~

~~—(b) not, directly or through a member of my immediate family or otherwise, accept any gratuitous payment, loan, service, or other consideration of value from any party doing or seeking to do business with Kaman;~~

~~—(c) fully disclose all facts concerning services that I, or any other person of whom I have knowledge, may have rendered to any party competing, dealing, or seeking to deal with Kaman, if it is required to determine if a conflict of interest exists; and~~

~~(d) not buy or sell Kaman Corporation stock if I have information about Kaman Corporation or any of its subsidiaries that is not already available to the public nor will I tell other people about any information of that kind. I understand and acknowledge that Kaman's policies prohibit such behavior and in many cases, it will be in violation of the securities laws.~~

~~III. I understand and agree that my employment with Kaman is an "at will" relationship and such employment and compensation can be terminated, with or without cause, and with or without notice, at any time, at the option of Kaman or me. I understand that this Agreement can be changed only by a written document signed by me and the President or other designated officer of Kaman. No application, brochure, policy statement, procedure, benefit plan, summary, work rules, employee handbook, or any other written or oral communication between the Company and its employees is intended to create an employment contract. I understand and agree that as a condition of my "at will" employment, if any disputes arise out of my termination of employment with the Company that I will first seek to resolve all such disputes by engaging in good faith discussions with appropriate managerial personnel of the Company.~~

~~IV. (a) Notwithstanding any other provision of this Agreement, (I) if Kaman terminates my employment before I attain normal retirement age (as defined in the Kaman Corporation Employees' Pension Plan), if there is then existing a written Company policy requiring executives to retire at that age, or at any time, if there is no such then existing policy, for any reason (other than due to my willful refusal to perform proper responsibilities of my position or a violation of law on my part), or (II) if I terminate my employment for "good reason", and (III) the Change in Control Agreement of even date herewith, as amended, between Kaman and me is not applicable, then on my last day of employment (the "Termination Date"), the Company will provide me with:~~

~~1) a lump sum cash payment equal to two (2) times my then current base annual salary rate (which rate cannot be less than the salary rate for the most recently completed calendar year prior to the Termination Date or the salary rate in effect as of the Effective Date, whichever is higher);~~

~~2) a lump sum cash payment equal to two (2) times my most recent cash bonus payment; and the bonus for which I am eligible due to my employment during the calendar year in which the Termination Date occurs, with such bonus to be pro-rated and calculated in accordance with the Kaman Corporation Cash Bonus Plan;~~

~~3) with regard to all restricted stock, stock appreciation rights, stock option awards or long term performance awards that I may have received, (i) all restrictions with respect to any~~

~~restricted stock shall lapse; (ii) at my election, to be made in writing on or before the Termination Date, either (a) all stock appreciation rights and stock options shall be deemed fully vested and then canceled in exchange for a cash payment equal to the excess of the fair market value of the shares of Kaman Corporation stock subject to the stock appreciation right or stock option on the Termination Date over the exercise price(s) of such stock appreciation rights or stock options, or (b) all stock appreciation rights and stock options shall be deemed fully vested and, following the Termination Date, I shall have the right to exercise such stock appreciation rights and stock options for the periods provided by the Kaman Corporation 2003 Stock Incentive Plan, as amended; and (iii) each long term performance award shall be deemed fully vested and fully earned and then shall be canceled in exchange for a cash payment equal to 100% of the target value of such award multiplied by a fraction the numerator of which is the number of days lapsing from the date of grant of such award to the Termination Date and the denominator of which is the number of days constituting the full term of such award; and~~

~~4) my Company automobile. The book value then attributed to it by the leasing company will be considered A fringe benefit@ income and that amount will be subject to tax during the calendar year in which the Termination Date occurs.~~

~~In addition to the aforementioned items, the Company will provide me with:~~

~~5) reimbursement for COBRA premium payments for applicable group medical/dental benefits until I accept employment elsewhere, but in any event for not more than twelve (12) months; and~~

~~6) premium payments for one (1) year with regard to the Mass Mutual group universal life insurance policy issued in my name.~~

~~(b) It is understood that I will have "good reason" to terminate my employment with the Company if any one of the following acts, or failures to act, by the Company, occurs:~~

~~1) I am removed from the officer position held by me at the Effective Date; or~~

~~2) I am assigned any duties or responsibilities inconsistent with the officer position held by me at the Effective Date or there is a substantial diminution in the nature or status of my responsibilities from those existing on the Effective Date; or~~

~~3) the Company reduces my annual base salary from that existing on the Effective Date; or~~

~~Page 4~~

~~4) the Company significantly reduces my annual cash bonus from the "modified target bonus opportunity" figure that is calculated each year in accordance with the Kaman Corporation Cash Bonus Plan.~~

~~(c) It is understood that "good reason" will not be deemed to exist if I am required to retire due to a then existing written Company policy requiring executives to retire at normal retirement age (as defined in the Kaman Corporation Employees' Pension Plan).~~

~~(d) My right to terminate my employment for good reason shall not be affected by my incapacity due to physical or mental illness. My continued employment shall not constitute consent to, or a waiver of rights with respect to, any act or failure to act constituting good reason under this Agreement.~~

~~(e) It is understood that for purposes of any determination regarding the existence of good reason, any claim by me that good reason exists shall be presumed to be correct unless the Company establishes to its Board of Directors by clear and convincing evidence that good reason does not exist.~~

~~(f) In the event that the items described in Section IV (a) are provided to me pursuant to this Agreement, I agree that for a period of two (2) years following the Termination Date, I will not, directly or indirectly, become connected with, promote the interest of, or engage in any other business or activity competing with the business of the Company within the geographical area in which the business of the Company is conducted.~~

~~(g) Unless required otherwise by law or government regulation, the parties will maintain the terms and conditions of this Agreement in confidence.~~

~~V. This Agreement supersedes any previous agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof which may exist between the parties, except that both parties acknowledge the validity of that certain Change in Control Agreement of even date herewith, between the parties. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of Connecticut. Any payments provided for hereunder shall be paid net of any applicable withholding required under federal, state or local law and any additional withholding to which I have agreed.~~

~~In Witness Whereof, the parties have executed, or caused this Agreement to be executed, on his or its behalf.~~

\_\_\_\_\_  
Date \_\_\_\_\_ Signature of Employee

\_\_\_\_\_  
Russell H. Jones

\_\_\_\_\_  
Employee's Typed Name

~~Acknowledged and Agreed this 5th day of March, 2004.~~

~~Kaman Corporation~~

~~/s/ Paul R. Kuhn~~

\_\_\_\_\_  
~~By Paul R. Kuhn  
Its President and CEO~~

EXHIBIT 10g(xvii)

~~CHANGE IN CONTROL AGREEMENT~~

~~THIS AGREEMENT, is made as of November 11, 2003, by and between Kaman Corporation, a Connecticut corporation (the "Company"), and Russell H. Jones (the "Executive").~~

~~WHEREAS, the Company considers it essential to the best interests of its shareholders to foster the continued employment of key management personnel; and~~

~~WHEREAS, in furtherance of this objective, the Company and Executive have executed an Employment Agreement dated as of November 11, 2003; and~~

~~WHEREAS, the Board recognizes that the possibility of a Change in Control exists and that such possibility, which will not be addressed by the Employment Agreement, and the uncertainty and questions which it may raise among management, may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders; and~~

~~WHEREAS, the Board has determined that appropriate steps~~

~~should be taken to reinforce and encourage the continued attention and dedication of members of the Company's management, including the Executive, to their assigned duties without the potential distractions arising from the possibility of a Change in Control;~~

~~— NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Company and the Executive hereby agree as follows:~~

~~— 1. Defined Terms. The definitions of capitalized terms used in this Agreement are provided in the last Section of this Agreement.~~

~~— 2. Term. [Intentionally Omitted]~~

~~— 3. Company's Covenants Summarized. In order to induce the Executive to remain in the employ of the Company and in consideration of the Executive's continued employment, the Company agrees, under the conditions described herein, to pay the Executive the Severance Payments and the other payments and benefits described in this Agreement. Except as provided in Section 8.1 of this Agreement, no Severance Payments shall be payable under this Agreement unless there shall have been (or, under the terms of the second sentence of Section 5.1, there shall be deemed to have been) a termination of the Executive's employment with the Company following a Change in Control. This~~

~~\_\_\_\_\_ Page 1~~



~~EXHIBIT 11~~

~~KAMAN CORPORATION AND SUBSIDIARIES~~

~~EARNINGS (LOSS) PER SHARE COMPUTATION~~

~~The computations and information required to be furnished in this Exhibit appear in the Computation of Earnings (Loss) per Share section of the Corporation's Annual Report to Shareholders, which is filed herein as Exhibit 13 to this report, and such section is incorporated herein by reference.~~



## EXHIBIT 13

FIVE YEAR SELECTED FINANCIAL DATA					
KAMAN CORPORATION AND SUBSIDIARIES					
(In thousands except per share amounts, shareholders and employees)					
	2003	2002	2001	2000	1999
<b>OPERATIONS</b>					
Net sales	\$ 894,499	\$ 880,776	\$ 875,869	\$1,031,234	\$ 995,404
Cost of sales	670,150	723,243	673,782	774,264	751,291
Selling, general and administrative expense	207,857	199,453	188,752	202,319	201,807
Restructuring costs		8,290		(1,680)	4,132
Other operating income	(1,448)	(1,302)	(1,076)	(1,092)	(1,773)
Operating income (loss)	17,940	(48,908)	14,411	57,423	39,947
Net gain on sale of product lines and other assets	(18,163)	(2,299)	(2,637)		
Interest expense (income), net	3,008	2,486	623	(1,660)	(1,614)
Other expense, net	1,265	1,831	761	1,363	1,088
Earnings (loss) before income taxes	31,830	(50,926)	15,664	57,720	40,473
Income taxes (benefit)	12,425	(17,325)	3,950	20,800	15,400
Net earnings (loss)	19,405	(33,601)	11,714	36,920	25,073

## FINANCIAL POSITION

Current assets	\$ 418,851	\$ 414,245	\$ 442,651	\$ 482,000	\$ 460,111
Current liabilities	160,555	157,094	141,260	173,342	168,374
Working capital	258,296	257,151	301,391	308,658	291,737
Property, plant and equipment, net	51,049	61,635	60,769	63,705	64,332
Total assets	528,311	535,540	521,946	553,830	534,203
Long term debt	36,624	60,132	23,226	24,886	26,546
Shareholders' equity	303,183	291,947	333,581	332,046	316,377

## PER SHARE AMOUNTS

Net earnings (loss) per share basic	\$ .86	\$ (1.50)	\$ .52	\$ 1.61	\$ 1.07
Net earnings (loss) per share diluted	.86	(1.50)	.52	1.57	1.05
Dividends declared	.44	.44	.44	.44	.44
Shareholders' equity	13.40	13.00	14.97	14.92	13.68
Market price range	14.91	18.81	19.50	17.75	16.13
	9.40	9.42	10.90	8.77	10.06

## AVERAGE SHARES OUTSTANDING

Basic	22,561	22,408	22,364	22,936	23,468
Diluted	23,542	22,408	23,649	24,168	24,810

## GENERAL STATISTICS

Registered shareholders	5,509	5,634	5,869	6,136	6,522
Employees	3,499	3,615	3,780	3,825	4,016

## Management's Discussion and Analysis of Financial Condition and Results of Operations Kaman Corporation and Subsidiaries

## RESULTS OF OPERATIONS

### Overview

Kaman Corporation is composed of three business segments: Aerospace, Industrial Distribution, and Music.

The Aerospace segment's programs are conducted through three principal businesses, consisting of Aircraft Structures and Components, Advanced Technology Products, and Helicopter Programs. The Aircraft Structures and Components business involves aerostructure and helicopter subcontract work as well as manufacture of components such as self lubricating bearings and driveline couplings for aircraft applications. For 2003, this business constituted 48% of Aerospace segment sales, the same level as 2002. The aerostructure subcontract element of this business continues to be an area of strategic emphasis for the corporation. The Advanced Technology Products business manufactures products involving systems, devices and assemblies for a variety of military and commercial applications, including safe, arm and fuzing devices for several missile and bomb programs; precision non-contact measuring systems for industrial and scientific use; electro optic systems for mine detection and other applications; and high reliability memory systems for airborne, shipboard, and ground-based programs. For 2003, this business constituted 22% of segment sales compared to 21% for 2002. The Advanced Technology Products business is also an area of strategic emphasis for the corporation. Helicopter Programs include prime helicopter production along with spare parts and support. The helicopters produced by this business are the SH-2G multi mission maritime helicopter and the K-MAX medium to heavy external lift helicopter. For 2003, this business constituted 30% of segment sales compared to 31% for 2002.

The Industrial Distribution segment is the third largest U.S. industrial distributor servicing the bearing, electrical/mechanical power transmission, fluid power, motion control and materials handling markets in the United States. This segment offers more than 1.5 million items, as well as value added services to a base of more than 50,000 customers spanning nearly every sector of U.S. industry from about 200 branches and regional distribution centers in the U.S., Canada, and Mexico.

The Music segment, the name of which has been changed from "Music Distribution" in order to better express the breadth of the segment's other activities, is America's largest independent distributor of musical instruments and accessories, and is

~~involved in some combination of designing, manufacturing,~~

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~~Management's Discussion and Analysis  
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~~marketing and distributing more than 15,000 products from five facilities located in the United States and Canada, to retailers of all sizes for musicians at all skill levels.~~

~~Results for 2003 reflect weakness in Aerospace segment performance as well as conditions in the U.S. industrial economy which adversely affected the Industrial Distribution segment. Aerospace segment results reflect the impact of several factors, including adverse conditions in the commercial aerospace market, difficulties experienced in certain significant segment programs, including the MD Helicopters, Inc. ("MDHI") helicopter subcontract program, the Australia SH-2G(A) program, and the Joint Programmable Fuze ("JPF") program, and cost and operational issues associated with the transition from the segment's Moosup, Conn. manufacturing facility to its expanded facility in Jacksonville, Fla., during 2003. These factors have led to lower sales volume, which in turn has resulted in overhead and general and administrative expenses being absorbed at higher rates by active segment programs and this has led to generally lower profitability or losses for these programs. The segment is working to address these issues and is taking actions, where appropriate, to help bring its cost structure in line with the business base.~~

~~For discussion of the operations of, and factors affecting, each of these business segments, please refer to the specific discussions below.~~

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~~TABULAR PRESENTATION OF FINANCIAL RESULTS~~

~~The following table summarizes certain financial results of the corporation and its business segments for calendar years 2003, 2002, and 2001:~~

~~SEGMENT INFORMATION (IN MILLIONS)~~

<del>Year Ended December 31,</del>	<del>2003</del>	<del>2002</del>	<del>2001</del>
<del>Net sales:</del>			
<del>— Aerospace</del>	<del>\$ 251.2</del>	<del>\$ 275.9</del>	<del>\$ 301.6</del>
<del>— Industrial Distribution</del>	<del>497.9</del>	<del>477.2</del>	<del>453.7</del>
<del>— Music</del>	<del>145.4</del>	<del>127.7</del>	<del>120.6</del>

	\$ 894.5	\$ 880.8	\$ 875.9
Operating profit (loss):			
— Aerospace	\$ 14.8	\$ (55.2)	\$ 6.5
— Industrial Distribution	12.7	12.3	13.2
— Music	9.5	7.2	6.6
	37.0	(35.7)	26.3
Interest, corporate and			
— other expense, net	(23.4)	(17.5)	(13.2)
Net gain on sale of			
— product lines and			
— other assets	18.2	2.3	2.6
Earnings (loss)			
— before income taxes	31.8	(50.9)	15.7
Income taxes (benefit)	12.4	(17.3)	4.0
Net earnings (loss)	\$ 19.4	\$ (33.6)	\$ 11.7

#### DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS — CONSOLIDATED

The corporation experienced an increase in consolidated net sales for 2003 compared to 2002 due to increased sales in the Industrial Distribution and Music segments. The increase in Music was primarily derived from the acquisition of Latin Percussion, Inc. Sales and operating profits for 2003 were adversely affected, however, by performance in the Aerospace segment.

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Results for the year 2002 include pre-tax charges of \$86.0 million (of which \$52.7 million was non-cash) taken in the second quarter of that year to cover the write down of K MAX helicopter assets, principally inventories, for cost growth associated with the Australian SH 2G(A) helicopter program; and to phase out operations at the corporation's Moosup, Conn. plant, all items in the Aerospace segment. Net sales for 2002 included \$61.7 million from acquisitions made during 2002 and 2001, and \$16.2 million from two divested Aerospace segment business lines. Net sales for 2002 were also reduced by \$6.5 million as a result of the adjustment for the Australia helicopter program. Results for 2002 were also adversely affected by weak economic conditions in the commercial aerospace and industrial markets, which are served by the corporation's Aerospace and Industrial Distribution segments.

Net sales for 2001 were reduced by \$31.2 million due to the sales and pre-tax profit adjustment taken in the second quarter of that year, principally related to cost growth in the Australia helicopter program. Net sales for 2001 included sales from acquisitions of \$8.0 million. Results for 2001 were adversely impacted by the above-described adjustment as well as continuing national economic difficulties that affected each of the corporation's business segments, but particularly the Industrial Distribution segment.

#### DISCUSSION AND ANALYSIS OF NET SALES BY BUSINESS SEGMENT

##### AEROSPACE SEGMENT

Aerospace segment net sales have decreased in each of the past three years — 9.0% in 2003, 8.5% in 2002 and 21.0% in 2001. Results for 2003 in each of the segment's businesses were adversely affected by a variety of factors, including the current weak market for commercial airliners, which has caused order stretch outs and a lower volume of deliveries than anticipated for certain Boeing programs, lack of new helicopter orders, and the stop work mode of the MDHI program, resulting in lower sales. The decrease in 2002 was due to the charge described above, declining revenues from both the New Zealand SH 2G program (which was completed in early 2003) and the Australia SH 2G(A) program, and a lack of new SH 2G or K MAX helicopter sales.

## ~~AIRCRAFT STRUCTURES AND COMPONENTS~~

~~Aerostructures subcontract work involves commercial and military aircraft programs. Current programs include production of aircraft subassemblies and other parts for virtually all Boeing commercial~~

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~~aircraft and the C-17 military transport. This element of the Aerospace segment operation continues to be an area of strategic emphasis for the corporation. The low current and projected build rates for commercial airliners affect this business directly, and the market has become increasingly cost competitive on an industry wide basis.~~

~~Helicopter subcontract work involves commercial and military helicopter programs. Commercial programs include multi year contracts for production of fuselages for the MDHI 500 and 600 series helicopters and composite rotor blades for the MD Explorer helicopter. Total orders from MDHI have run at significantly lower rates than originally anticipated due to lower than expected demand. The corporation's investment in these contracts consists of \$4.4 million in billed receivables and \$16.4 million in recoverable costs not billed (including start up costs and other program expenditures) as of December 31, 2003. In 2003, the corporation received payments totaling \$4.4 million, primarily for items shipped during 2003. The recoverability of unbilled costs will depend to a significant extent upon MDHI's future requirements through 2013. The corporation stopped production on these contracts in the second quarter of 2003, while working closely with this customer to resolve overall payment issues and establish conditions under which production could be resumed, including the timing thereof. Based upon MDHI's projected future requirements and inventory on hand at both MDHI and Kaman, this would not be expected to occur until the second half of 2004 at the earliest. Although the outcome is not certain, the corporation understands that MDHI management is pursuing strategies to improve its current financial and operational circumstances.~~

~~The segment's Kamatics operation manufactures proprietary self lubricating bearings used in aircraft flight controls, turbine engines and landing gear and produces driveline couplings for helicopters. This business had increased sales in 2003 with military and commercial aftermarket sales helping to offset continued softness in commercial and regional aircraft manufacturing. Kamatics' products are in wide use in commercial airliners operated by the major and regional airlines, and increasingly, in military programs. Boeing is Kamatics' largest commercial customer.~~

## ~~ADVANCED TECHNOLOGY PRODUCTS~~

~~Advanced Technology Products is also an area of strategic emphasis for the corporation. In July 2002, the corporation acquired Dayron, a weapons fuze manufacturer for a variety of munitions~~

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~~The principal motivation for the acquisition was a Dayron contract to develop a fuze for the U.S. Air Force and Navy Joint Programmable Fuze program. The JPF program is expected to generate substantial business once final qualification has been achieved and future production orders have been received. Final qualification testing was undertaken early in 2003 but test results at that time necessitated additional qualification work, which has delayed production unit sales and increased program costs. Final qualification testing resumed in the fourth quarter of 2003, however, with Dayron completing the portion of~~

~~qualification testing required to be conducted by it as the contractor. The customer has now resumed its portion of the qualification testing with positive early results. Management expects that final qualification testing will be completed in March 2004.~~

#### ~~HELICOPTER PROGRAMS~~

~~The segment's helicopter products include the SH-2G multi-mission maritime helicopter and the K-MAX medium to heavy external lift helicopter. The SH-2G helicopter represents the majority of the segment's helicopter program sales and generally consists of retrofit of the corporation's SH-2F helicopters to the SH-2G configuration or refurbishment of existing SH-2G helicopters. The SH-2, including its F and G configurations, was originally manufactured for the U.S. Navy. The SH-2G aircraft is currently in service with the Egyptian Air Force and the New Zealand and Polish navies.~~

~~— The program for five retrofit SH-2G aircraft for New Zealand, which had a contract value of about \$190 million, was completed early in 2003. A much smaller program for the refurbishment of four SH-2G aircraft for Poland, which had a contract value of almost \$7 million, was completed during 2003.~~

~~— Work continues on the SH-2G(A) program for Australia which involves eleven helicopters with support, including a support services facility, for the Royal Australian Navy ("RAN"). The total contract has an anticipated value of about \$723 million. The helicopter production portion of the program is valued at approximately \$598 million, of which about 96% has been recorded as sales through December 31, 2003. As previously reported, this contract is now in a loss position due to increases in anticipated costs to complete the program which were reflected in the \$25.0 million pre-tax charge taken in 2002 and the \$31.2 million sales and pre-tax profit adjustment taken in 2001.~~

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~~— Production of all the SH-2G(A) aircraft is essentially complete. As previously reported, the aircraft lack the full Integrated Tactical Avionics System ("ITAS") software and progress is continuing on this element of the program. In September 2003, the RAN began the process of provisional acceptance of these aircraft after receiving a decision to proceed from the Australian government. The corporation expects to be able to deliver the full capability of the ITAS weapons system software in late 2004 with final acceptance anticipated in 2005. While management believes that the corporation's reserves are sufficient to cover estimated costs to complete the program, final development of the software by subcontractors and its integration, which is the corporation's responsibility, are yet to come and they are complex tasks.~~

~~— The corporation continues to pursue other opportunities for the SH-2G helicopter in the international defense market. This market is highly competitive and heavily influenced by economic and political conditions. However, management continues to believe that the aircraft is in a good competitive position to meet the specialized needs of navies around the world that operate smaller ships for which the SH-2G is ideally sized.~~

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

~~— With respect to its K-MAX helicopter program, the segment continues to pursue both a sale and short-term lease program for existing K-MAX aircraft inventory that was written down to estimated fair market value in 2002. As previously reported, this approach follows a 2002 market evaluation of the K-MAX helicopter program which had experienced several years of significant market difficulties. In connection with this decision, the corporation wrote down the value of existing aircraft, excess spare parts, and~~



equipment inventories (\$46.7 million for inventories and \$3.3 million for capital equipment). Development costs for the aircraft were expensed in earlier years when incurred. On a going forward basis, the corporation intends to maintain adequate inventories and personnel to support the fleet and additional aircraft will be produced only upon firm order by a customer. During 2003, two K-MAX helicopters were leased and two others were converted from leases to sales. The sales produced pre-tax profit of \$2.1 million. Currently, there are seven K-MAX aircraft remaining available for sale, including the two K-MAX aircraft currently leased to customers.

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#### INDUSTRIAL DISTRIBUTION SEGMENT

Industrial Distribution segment net sales increased 4.3% for 2003 and 5.2% for 2002 compared to a decrease of 12.9% for 2001. Net sales for 2003 included \$6.5 million from an acquisition made early in the fourth quarter of the year. Net sales for 2002 included \$38.0 million from acquisitions made during 2002 and 2001, while net sales for 2001 included \$8.0 million from acquisitions made in 2001.

— This segment is the third largest U.S. industrial distributor servicing the bearing, electrical/mechanical power transmission, fluid power, motion control and materials handling markets in the United States, offering more than 1.5 million items, as well as value added services, to a base of more than 50,000 customers spanning nearly every sector of U.S. heavy and light industry from approximately 200 branches and regional distribution centers in the U.S., Canada, and Mexico.

— Because the segment's customers include a broad spectrum of U.S. industry, this business is directly affected by national macroeconomic variables such as the percentage of plant capacity utilization within the U.S. industrial base, and the business tends to track the U.S. Industrial Production Index with a short lag. The segment has been adversely affected by conditions in the manufacturing sector that have existed since late 2000. During this period, cost controls and focus on working capital investment helped performance.

— During 2003, economic conditions continued to be difficult and the segment performed in line with these circumstances, although it benefited from acquisitions completed in the past several years and from awards of new business at the national account level. Late in 2003, the segment began to experience increased requests for proposals and order activity; although industrial production levels remain far from the levels sustained several years ago, management is encouraged by signs of improvement in national industrial markets.

— Success in the segment's markets requires a combination of competitive pricing and value added services that save the customer money while helping it become more efficient and productive. Management believes that this segment has the appropriate platforms, including technology, systems management and customer and supplier relationships to compete effectively in the evolving and highly fragmented industrial distribution industry. The segment's size and scale of operations allow it to

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attract highly skilled personnel and realize internal operating efficiencies, and also to take advantage of vendor incentives in the form of rebates, which tend to favor the larger distributors. Management believes that the segment's resources and product

~~knowledge enable it to offer a comprehensive product line and invest in sophisticated inventory management and control systems while its position in the industry enhances its ability to rebound during economic recoveries and grow through acquisitions.~~

~~— In addition, over the past several years, large companies have increasingly centralized their purchasing through suppliers that can service all of their plant locations across a wide geographic area. As this trend continues, the segment has expanded its presence in geographic markets considered key to winning these customers through acquisitions in the upper Midwest and Mexico, and the selective opening of new branches. Early in the fourth quarter of 2003, the segment acquired a majority of the net assets and business of Industrial Supplies, Inc. ("ISI"), of Birmingham, Alabama, a distributor of a wide variety of bearing, conveyor, electrical, fluid power and power transmission components used by manufacturing, mining, steel, lumber, pulp and paper, food and other industries. As a result of the acquisition, the segment now operates four branches in Alabama and one branch in Florida formerly maintained by ISI, and has therefore expanded its presence in the increasingly important southeast industrial market. The segment also added branches in the Dallas and Richmond areas during 2003, so that as of the end of the year, the segment now serves 70 of the top 100 industrial markets in the country. Management's goal is to grow the Industrial Distribution segment by expanding into additional areas that enhance its ability to compete for large regional and national customer accounts.~~

~~— As previously reported, this segment had experienced an increase in the number of "John Doe" type legal proceedings filed against it, generally relating to parts allegedly supplied to the U.S. Navy's shipyard in San Diego, California by a predecessor company over 25 years ago, that may have contained asbestos. While management believes that the segment has good defenses to these claims, it is in the process of settling virtually all of the claims for amounts, which in the aggregate are immaterial, with contribution from insurance carriers. Management does not currently expect that these circumstances will have a material adverse effect on the corporation.~~

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MUSIC SEGMENT  
(FORMERLY THE MUSIC DISTRIBUTION SEGMENT)

~~Music segment net sales increased 13.9% in 2003 and 5.9% in 2002 compared to a decrease of 6.2% in 2001. Net sales for 2003 included \$18.6 million generated by Latin Percussion, the world leader in hand percussion instruments that was acquired in October 2002, while net sales for 2002 included \$3.7 million from Latin Percussion. This segment's business is directly affected by consumer confidence levels and although results for the segment's base business (i.e., without Latin Percussion) reflected a somewhat weak consumer environment, conditions improved toward the end of the year and the segment had good results overall, including a good Christmas season, particularly at the large national stores.~~

~~— The segment's array of instruments includes premier and proprietary products, such as the Ovation (registered trademark) and Hamer (registered trademark) guitars, and Takamine (registered trademark) guitars under its exclusive distribution agreement. To enhance its market position, the segment has significantly extended its line of percussion products and accessories over the past two years, augmenting its CB, Toca (registered trademark) and Gibraltar (registered trademark) lines with the addition of an exclusive distribution agreement with Gretsch (registered trademark) drums in 2001 and the acquisition of Latin Percussion in 2002. In September 2003, the segment acquired Genz Benz Enclosures, Inc., a small manufacturer of amplification and sound reinforcement equipment. Genz Benz has been working with the~~

~~segment for several years through an exclusive distribution agreement, so while the acquisition will not add immediate incremental sales, it does assure the segment of ownership of this product line. The segment continues to seek opportunities to add exclusive premier brand product lines that would build upon the segment's market position.~~

#### ~~DISCUSSION AND ANALYSIS OF OPERATING PROFITS — CONSOLIDATED~~

~~As would be expected with any commercial business, operating profits is a key indicator utilized by management in its evaluation of the performance of its business segments. The corporation's segments, in total, had net operating profits of \$37.0 million for 2003 compared to a net operating loss of \$35.7 million in 2002. Total net operating profits were \$26.3 million for 2001.~~

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~~Results for 2003 reflect the impact on the corporation's businesses of continued weakness in the U.S. manufacturing sector and commercial aircraft markets and the increasingly competitive conditions resulting therefrom, in combination with the costs associated with the transition from the Aerospace segment's Moosup facility to expanded facilities in Jacksonville and the stop work status of the MDHI program.~~

~~Another key performance indicator for management is each business segment's return on investment. Management defines "return on investment" as operating profits divided by average investment for each segment. Average investment is computed by combining equity, intercompany borrowings plus letters of credit and, for foreign subsidiaries, outside debt financings. The corporation's goals for return on investment are expressed as a range, with 15% at the lower end of the range. For 2003, the Music segment performed above the minimum percentage, while the Industrial Distribution and Aerospace segments performed below the minimum.~~

~~The 2002 results reflect difficult economic conditions in that year and include the second quarter pre tax charge of \$86.0 million described earlier. The 2001 results include the \$31.2 million second quarter sales and pre-tax profit adjustment described earlier and reflect lower revenues in the Australia and New Zealand SH-2G helicopter programs as well as lower sales in the Industrial Distribution segment due to economic conditions.~~

#### ~~DISCUSSION AND ANALYSIS OF OPERATING PROFITS BY BUSINESS SEGMENT~~

##### ~~AEROSPACE SEGMENT~~

~~Results for the year 2003 reflect the impact of the factors described previously (i.e., costs associated with the move from the Moosup facility to Jacksonville, the current weak market for commercial airliners, the absence of new helicopter orders, and the stop work mode of the MDHI program) upon the Kaman Aerospace subsidiary, and include \$3.6 million in ongoing relocation and recertification costs related to the move from Moosup to Jacksonville and \$1.4 million in idle facilities and related costs, most of which relate to the Moosup facility. The result has been lower sales volume, which in turn has resulted in overhead and general and administrative expenses being absorbed at higher rates by active segment programs; this has led to generally lower profitability or losses for these programs. Management continues to evaluate Kaman Aerospace's cost structure, including its manpower requirements, and action is being taken, where~~

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~~appropriate, to help bring cost structure in line with the business base. Management directed the move from Moosup, the corporation's oldest facility, to Jacksonville, a modern, expanded facility, in order to provide a lower cost base from which to compete in the aerostructures subcontract arena. This move was essentially completed in 2003. However, the transition has generated additional costs associated with the phase out of Moosup, production man-hour performance in Jacksonville, which has not yet achieved the levels that had existed on an overall basis in Moosup, and the normal FAA and customer requirements to requalify manufacturing and quality processes in Jacksonville. These factors have resulted in lower profitability or losses in certain aerostructures programs. While these costs continue to be an issue going into 2004, the opportunity to operate at lower cost in Jacksonville remains evident and is an expectation for the future. The Jacksonville facility is ready to accept additional business, although that may take time to develop in the present environment.~~

~~— Despite current circumstances, to date, management has elected to continue expenditures for longer term competitiveness in the commercial aircraft market and to maintain its prime helicopter program capabilities.~~

~~— For the year 2002, the Aerospace segment had an operating loss of \$55.2 million, primarily due to the previously described \$86.0 million charge. Included in the second quarter 2002 pre-tax charge was \$11.0 million for the cost of phasing out the corporation's Moosup manufacturing plant. The charge represents severance costs of about \$3.3 million at the Moosup and Bloomfield, Connecticut locations which is expected to involve the separation from service of approximately 400 employees (of which a total of \$2.2 million had been paid for 289 such separations as of December 31, 2003); asset write-offs of about \$2.7 million; and \$5.0 million for the cost of closing the facility (including costs associated with an ongoing voluntary environmental remediation program). Operating profits for the Aerospace segment were \$6.5 million in 2001, a decrease from \$44.2 million the prior year, reflecting the sales and pre-tax profit adjustment in the Aerospace segment for that year and lower revenues from the Australia and New Zealand SH-2G helicopter programs.~~

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~~INDUSTRIAL DISTRIBUTION SEGMENT~~

~~Results in this segment for each of the past three years reflect the weak economic performance in the U.S. manufacturing sector that has existed since the latter part of 2000. Because the segment's customers include a broad spectrum of U.S. industry, this business is directly affected by national macroeconomic variables such as the percentage of plant capacity utilization within the U.S. industrial base and the business tends to track the U.S. Industrial Production Index with a short lag. Particularly in this type of environment, vendor incentives in the form of rebates (i.e., vendors provide inventory purchase rebates to distributors at specified volume purchasing levels) have been a major contributor to the segment's operating profits in each of the past three years. In addition, cost controls and focus on working capital investment helped performance.~~

~~MUSIC SEGMENT~~

~~Music segment operating profits for 2003 and 2002 reflect continued consumer spending in the music retail market and the positive effects of the acquisition of Latin Percussion.~~

## ~~NET EARNINGS AND CERTAIN EXPENSE ITEMS~~

~~For the year 2003, the corporation reported net earnings of \$19.4 million or \$0.86 per share diluted, including an after tax gain of \$10.6 million or \$0.48 per share from the sale of its Electromagnetics Development Center ("EDC") in January 2003, compared to a net loss of \$33.6 million, or \$1.50 net loss per share diluted, in 2002. Net earnings for 2001 were \$11.7 million, or \$0.52 per diluted share. The 2002 and 2001 results each include the charges or adjustments previously described.~~

~~— Selling, general and administrative expenses for the year 2003 were higher than for 2002, largely due to acquisitions and to increases in corporate expenses attributable to several items, including a reduction in group insurance liabilities for 2002 that did not recur in 2003, and growth in stock appreciation rights, pension, and general insurance expense. Selling, general and administrative expenses for 2002 were higher than for 2001, principally due to acquisitions.~~

~~— For each of the years ended December 31, 2003 and 2002, net interest expense increased, principally due to borrowings to fund acquisitions. For the year ended December 31, 2001, interest expense exceeded interest income due to a reduction of surplus cash.~~

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~~— The consolidated effective income tax rate for the year 2003 was 39%. For 2002, there was a tax benefit calculated at approximately 34%, representing the combined estimated federal and state tax effect attributable to the second quarter loss. In the 2001 period, the corporation adjusted its estimated tax rate to 25%, primarily due to reduced tax considerations on the Australian helicopter program.~~

~~— For a discussion of Financial Accounting Standards Board Statements applicable to the corporation, please refer to the Recent Accounting Standards Note in the Notes to Consolidated Financial Statements of Kaman Corporation and Subsidiaries for the year ended December 31, 2003.~~

## ~~CRITICAL ACCOUNTING ESTIMATES~~

~~The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant accounting policies are disclosed in the Notes to Consolidated Financial Statements of Kaman Corporation and Subsidiaries for the year ended December 31, 2003. The most significant areas currently involving management judgments and estimates are described below. 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, generally using as a measurement basis either (1) a ratio that costs incurred bear to estimated total costs, after giving effect to estimates of cost to complete based upon most recent information for each contract, or (2) units of delivery. Reviews of contracts are made regularly 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.~~

~~— The percentage of completion method requires estimates of future revenues and costs over the life of a contract. In some cases, estimates of future revenues are based on projected customer requirements. Contract costs may be incurred over a period of several years, and the estimation of these costs~~

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~~requires management's judgment. The complexity of certain programs, including the SH-2G(A) program for the Royal Australian Navy, the effects of the corporation's transition of manufacturing operations from Moosup to Jacksonville, and the impact on the absorption of overhead expenditures caused by a lower volume of deliveries than anticipated on certain programs, could affect the corporation's ability to precisely estimate future contract costs.~~

~~Specifically, the corporation is required to make significant estimates and assumptions related to its completion of a long term contract with the Royal Australian Navy. The remaining estimates are generally associated with the completion of the Integrated Tactical Avionics System software and its integration into the aircraft. While the corporation believes its reserves are sufficient to cover estimated costs to complete the program, final development of the software by subcontractors and its integration, which is the corporation's responsibility, are yet to come, and these are complex tasks. Technical difficulties could increase costs and/or delay customer payments. See the Accounts Receivable section of the Critical Accounting Estimates for additional RAN program information.~~

~~ACCOUNTS RECEIVABLE~~

~~Trade accounts receivable consist of amounts billed and currently due from customers. The allowance for doubtful accounts reflects management's best estimate of probable losses inherent in the trade accounts receivable balance. Management determines the allowance for doubtful accounts based on known troubled accounts, historical experience, and other currently available evidence. Billed amounts for U.S. Government, commercial, and other government contracts consist of amounts billed and currently due from customers. Recoverable costs and accrued profit not billed for U.S. Government, commercial, and other government contracts primarily relate to costs incurred on contracts which will become billable upon future deliveries, achievement of specific contract milestones or completion of engineering and service type contracts.~~

~~The corporation had \$74.8 million and \$72.5 million of trade receivables at December 31, 2003 and 2002, respectively. The allowance for doubtful accounts for trade receivables was \$3.3 million and \$2.9 million at December 31, 2003 and 2002, respectively. Accounts receivable written off, net of recoveries, in years 2003 and 2002 were \$1.2 million and \$2.2 million, respectively. In addition to trade receivables, the corporation had \$118.4 million and \$123.4 million of amounts due from~~

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~~government and commercial contracts at December 31, 2003 and 2002, respectively. The corporation evaluates, on an ongoing basis, the recoverable costs associated with its government and commercial contracts. Specifically, the corporation had an investment of billed receivables and recoverable costs not billed of \$20.8 million as of December 31, 2003 with its customer, MDHI. The recoverability of this investment will depend to a significant extent upon MDHI's future requirements through 2013. Should these future requirements not be realized, an adjustment to the then remaining balance could be required.~~

~~In applying the guidance of Statement of Financial Accounting Standards No. 5, "Accounting for Contingencies" ("SFAS 5"), the corporation's management has concluded that some level of impairment to the MDHI investment, while not probable, is reasonably possible. In assessing the range of potential loss, current program estimates project the entire amount of the~~

~~corporation's current investment to be recoverable over the full term of the contracts, which makes the minimum end of the potential loss range zero. Therefore, no impairment to the carrying value of the corporation's investment in the MDHI programs has been recorded to date.~~

~~— In addition, the corporation had \$60.8 million of recoverable costs not billed with the RAN as of December 31, 2003, which will be due and payable as the segment satisfactorily completes the program. The final amount of recoverable costs not billed will be offset by \$19.0 million of advances on contracts previously paid to the corporation by the RAN. Also, \$20.9 million will be required to fund the program's accrued contract loss as of December 31, 2003.~~

#### ~~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.~~

~~— The corporation had \$179.0 million and \$164.7 million of inventory as of December 31, 2003 and 2002, respectively. Inventory valuation at the Industrial Distribution and Music segments generally requires less subjective management judgment than valuation of certain Aerospace segment inventory, including~~

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~~the K MAX inventory. Based upon a market evaluation in 2002, the corporation wrote down its K MAX inventory in the amount of \$46.7 million in that year. The corporation believes its K MAX inventory of \$33.4 million at December 31, 2003 is stated at net realizable value, although lack of demand for this product in the future could result in additional write downs of the inventory value.~~

#### ~~VENDOR INCENTIVES~~

~~The corporation's Industrial Distribution segment enters into agreements with certain vendors providing for inventory purchase incentives that are generally earned upon achieving specified volume purchasing levels. The segment recognizes these incentives as a reduction in cost of goods sold. Supplier incentives have been an important contributor to the segment's operating profits. While management believes that vendors will continue to offer incentives, there can be no assurance that the Industrial Distribution segment will continue to receive comparable amounts in the future.~~

#### ~~GOODWILL AND OTHER INTANGIBLE ASSETS ACCOUNTING~~

~~Goodwill and certain other intangible assets are no longer required to be amortized but rather are evaluated at least annually for impairment. The corporation utilizes discounted cash flow models to determine fair value used in the goodwill and other intangible asset impairment evaluations. Management's estimates of fair value are based upon factors such as projected sales and cash flows and other elements requiring significant judgments. The corporation utilizes the best available information to prepare its estimates and perform impairment evaluations; however, actual results could differ significantly, resulting in the future impairment of recorded goodwill and other intangible asset balances.~~

~~— The corporation has made a number of acquisitions during the last three years, which have involved goodwill and other intangible assets. The total value of these items, including previously recorded goodwill and other intangible assets, was \$53.3 million and \$51.0 million as of December 31, 2003 and 2002, respectively. Based upon the corporation's analysis, management believes these assets are not impaired as of December 31, 2003.~~

## ~~PENSION PLAN ACTUARIAL ASSUMPTIONS~~

~~The corporation's pension benefit obligations and related costs are calculated using actuarial concepts within the framework of~~

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~~Statement of Financial Accounting Standards No. 87, "Employers' Accounting for Pensions" ("SFAS 87"). Two critical assumptions, the discount rate and the expected return on plan assets, are important elements of expense and/or liability measurement. These critical assumptions are evaluated annually. Other assumptions involve demographic factors such as retirement, mortality, turnover and rate of compensation increases.~~

~~— The discount rate enables management to state expected future cash flow as a present value on the measurement date. The guideline for setting this rate is a high quality long term corporate bond rate. A lower discount rate increases the present value of benefit obligations and increases pension expense. The Kaman Employees' Pension Plan used a discount rate of 7.0% in 2003 and 7.5% in 2002 for purposes of calculating net periodic benefit cost. A one percentage point decrease in the assumed discount rate would increase annual pension expense in 2003 by \$1.7 million. A one percentage point increase in the assumed discount rate would decrease annual pension expense in 2003 by \$3.2 million.~~

~~— To determine the expected return on plan assets, management considers the current and expected asset allocation, as well as historical and expected returns on each plan asset class. A lower expected rate of return on pension plan assets will increase pension expense. The expected return on plan assets was 8.5% and 8.6% at December 31, 2003 and 2002, respectively. A one percentage point increase/decrease in the return on pension plan asset assumption would decrease/increase annual pension expense in 2003 by \$3.7 million.~~

## ~~LIQUIDITY AND CAPITAL RESOURCES~~

### ~~DISCUSSION AND ANALYSIS OF CASH FLOWS — CALENDAR YEAR 2003~~

~~Management assesses the corporation's liquidity in terms of its ability to generate cash to fund operating, investing and financing activities. Cash flow generation is another key performance indicator reviewed by management in evaluating business segment performance. Significant factors affecting the management of liquidity might include cash flows generated from or used by operating activities, capital expenditures, investments in the business segments and their programs, acquisitions, dividends, adequacy of available bank lines of credit, and factors which might otherwise affect the corporation's business and operations generally, as described below under the heading "Forward Looking Statements". Management believes that the corporation's annual cash flow from operations and available unused bank lines of~~

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~~credit under its revolving credit agreement will be sufficient to finance its working capital and other recurring capital requirements for the next twelve month period. Management is aware that earnings for 2003 were weak and the principal source of that weakness is in the Aerospace segment which has been adversely affected by conditions in the commercial aerospace market. Aerospace management is working to address these issues through its sales efforts as well as evaluation of its current cost structure with the goal of improving operating profits and cash flow generation.~~



~~Operating activities provided cash in the amount of \$26.6 million for 2003. These results reflect reductions in accounts receivable in the Aerospace segment and in inventories in both the Industrial Distribution and Music segments, and increases in accounts payable in the Industrial Distribution segment, offset by increases in inventories in the Aerospace segment, largely related to the K-MAX program. The K-MAX inventory increase relates primarily to production of rotor blades in anticipation of their use for replacement purposes and investment in anticipated overhauls, neither of which circumstances occurred to the extent expected during 2003.~~

~~The largest element of cash flows provided from investing activities for 2003 consisted of the proceeds from the sale of the EDC operation. Approximately \$8 million was used for acquisitions during the year. Cash used in financing for 2003 consisted of reductions in long-term debt and payments of dividends to shareholders.~~

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CONTRACTUAL OBLIGATIONS

The following table summarizes certain of the corporation's contractual obligations as of December 31, 2003:

Payments due by period (in millions)					
		Within	1-3	3-5	More
Contractual Obligations	Total	1 year	years	years	than 5 years
Long-term debt	\$ 38.3	\$ 1.7	\$ 20.0	\$ 3.3	\$ 13.3
Operating leases	29.2	13.0	10.3	3.4	2.5
Purchase obligations (A)	142.3	77.4	19.8	14.6	30.5
Other long-term liabilities (B)	28.0	2.5	4.6	3.0	17.9
Total	\$237.8	\$ 94.6	\$ 54.7	\$ 24.3	\$ 64.2

(A) This category includes purchase commitments with suppliers for materials and supplies as part of the ordinary course of business, consulting arrangements and support services. Only obligations in the amount of at least fifty thousand dollars are included.

(B) This category includes obligations under the corporation's supplemental employees' retirement plan and deferred compensation plan and a supplemental disability income arrangement for one former company officer.

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OFF-BALANCE SHEET ARRANGEMENTS

The following table summarizes the corporation's off-balance sheet arrangements, which consist principally of letters of credit and obligations to pay earn-outs with respect to certain acquisitions:

Payments due by period (in millions)					
		Within	1-3	3-5	More
Off-balance sheet	Total	1 year	years	years	than 5
arrangements					years
<hr/>					
Outstanding letters					
of credit under the					
Revolving Credit					
Agreement	\$ 29.8	\$ 26.8	\$ 3.0	\$	\$
<hr/>					
Other outstanding					
letters of credit	7.0	7.0			
<hr/>					
Acquisition					
earn-outs (A)	25.0				
<hr/>					
Total	\$ 61.8	\$ 33.8	\$ 3.0	\$	\$
<hr/>					

(A) The obligation to pay earn-out amounts depends upon the attainment of specific sales goals for Dayron, a company acquired in 2002. Since it is not feasible to estimate exactly when such payments may become due, they are stated in the aggregate only. One million dollars was accrued for such earn-out payments in 2003.

DISCUSSION AND ANALYSIS OF CASH FLOWS  
CALENDAR YEARS 2002 AND 2001

For calendar year 2002, operating activities used a net of \$11.2 million of cash. The Industrial Distribution segment was the largest user of working capital during 2002, mostly due to growth in receivables and inventories and reductions in accounts payables. Cash flow for the year was generally not affected by the

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\$86.0 million second quarter Aerospace charges previously described because \$52.7 million of the charges were non-cash in nature, \$26.8 million was expected to be paid in future years and \$6.5 million consisted of a write-down of receivables.

~~During 2002, cash was used by investing activities principally due to the acquisitions of Delamac in the Industrial Distribution segment, Dayron and RWC in the Aerospace segment, and Latin Percussion in the Music segment and by the purchase of items such as machinery and computer equipment; cash in the amount of approximately \$51.2 million was used for the acquisitions. This was offset to some degree by the sale of the microwave products line. Cash provided by financing activities was primarily attributable to bank borrowings to fund the acquisitions. This was partially offset by the payment of dividends to shareholders.~~

~~For calendar year 2001, operating activities provided cash in the amount of \$20.1 million. These results were due primarily to net reductions in accounts receivable in the Aerospace and Industrial Distribution segments, including the \$31.2 million sales and pre tax profit adjustment in the Aerospace segment, and reductions in inventories in the Industrial Distribution and Music segments. This was offset by decreases in accounts payable in the Aerospace and Music segments and accrued expenses and payables throughout each of the segments and by a reduction in advances on contracts in the Aerospace segment. Other items include a reduction in income taxes payable as well as an increase in other current assets, which relate primarily to the tax benefits associated with the adjustment and a net pension income item, respectively. During the year 2001, cash was used in investing activities for the A-C Supply asset acquisition in the Industrial Distribution segment, the Plastic Fabricating Company, Inc. stock acquisition in the Aerospace segment, and for the purchase of items such as machinery and computer equipment, which usage was offset somewhat by proceeds from the sale of assets. Cash used by financing activities was primarily attributable to the payment of dividends to common shareholders, and to a lesser degree the sinking fund requirement for the corporation's debentures (described below) and repurchase of the corporation's Class A common stock pursuant to a repurchase program for use in administration of the corporation's stock plans and general corporate purposes. The corporation had \$30.8 million in cash and cash equivalents at December 31, 2001 with an average balance of \$34.0 million for the year.~~

## ~~Management's Discussion and Analysis of Financial Condition and Results of Operations Kaman Corporation and Subsidiaries~~

### ~~OTHER SOURCES/USES OF CAPITAL~~

~~In the past two years, the corporation has sold two non-core portions of the Aerospace segment in order to free capital for other uses. Specifically, in January 2003, the corporation sold EDC, its electric motor and drive business that had sales of approximately \$14 million in 2002, for \$27.5 million. In the second quarter of 2002, the corporation sold its microwave products line. That product line was associated with the former Kaman Sciences Corp. subsidiary which was sold in 1997. Microwave product sales were about \$7.5 million in 2001.~~

~~At December 31, 2003, the corporation had \$21.6 million of its 6% convertible subordinated debentures outstanding. The debentures are convertible into shares of Class A common stock at any time on or before March 15, 2012 at a conversion price of \$23.36 per share, generally at the option of the holder. Pursuant to a sinking fund requirement that began March 15, 1997, the corporation redeems approximately \$1.7 million of the outstanding principal of the debentures each year.~~

~~In November 2000, the corporation's board of directors approved a replenishment of the corporation's stock repurchase program, providing for repurchase of an aggregate of 1.4 million Class A common shares for use in administration of the corporation's stock plans and for general corporate purposes. As of December 31, 2003, a total of about 268,850 shares had been repurchased since inception of this replenishment program.~~

### ~~FINANCING ARRANGEMENTS~~

Total average bank borrowings for the year 2003 were \$43.0 million compared to \$23.8 million for 2002 and \$2.5 million in 2001.

— The corporation maintains a revolving credit agreement (the "Revolving Credit Agreement") with several banks that provides a \$150 million five year commitment scheduled to expire in November 2005. Prior to November 2003, the corporation also maintained a \$75 million "364 day" annually renewable facility as part of the Revolving Credit Agreement. Both portions of the Revolving Credit Agreement provide for interest at current market rates. In view of the longer term attractiveness of fixed rates in the current environment and the fact that the "364 day" facility had never been used, the corporation permitted it to expire in November 2003. In the third quarter of 2003, the Revolving Credit Agreement was amended to give potential lenders under a new fixed rate financing of up to \$75 million the same covenant and guarantee

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protections that the Revolving Credit Agreement lenders currently possess. Facility fees are charged on the basis of the corporation's credit rating which is a Standard & Poors BBB investment grade rating. Management believes that such a rating is favorable for a company of its size. Under the terms of the current Revolving Credit Agreement, if this rating should decrease, the effect would be to increase interest rates charged and facility fees.

— The most restrictive of the covenants contained in the Revolving Credit Agreement, which the corporation monitors closely, requires the corporation to have EBITDA, as defined, at least equal to 300% of net interest expense, on the basis of a rolling four quarters and a ratio of consolidated total indebtedness to total capitalization of not more than 55%. The non-cash portion of the 2002 second quarter charges, up to \$52.5 million, were excluded from the financial covenant calculations during the four quarters ended March 31, 2003.

— In connection with the acquisition of RWG, the corporation established a 9.5 million Euro term loan and revolving credit facility (the "Euro Credit Agreement") with Wachovia Bank, National Association ("Wachovia"), one of its Revolving Credit Agreement lenders having offices in London. In general, the Euro Credit Agreement contains the same financial covenants as the Revolving Credit Agreement described previously and the term of the Euro Credit Agreement expires at the same time as the Revolving Credit Agreement. During the third quarter of 2003, the Euro Credit Agreement was amended to conform with the 2003 amendment to the Revolving Credit Agreement. Also in the third quarter of 2003, the corporation entered into an arrangement with Wachovia that permits the corporation to lock in a fixed rate of interest for the RWG financing.

— Letters of credit are generally considered borrowings for purposes of the Revolving Credit Agreement. A total of \$29.8 million in letters of credit were outstanding at December 31, 2003, a significant portion of which is related to the Australia SH 2G(A) program. During the second quarter of 2003, the letter of credit for the production portion of the Australia program was reduced to a balance of \$20 million, which is expected to remain in place until final acceptance of the aircraft by the RAN.

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## FORWARD-LOOKING STATEMENTS

This report contains forward looking information relating to the corporation's business and prospects, including the SH-2G and K-MAX helicopter programs, aerostructures and helicopter subcontract programs and components, advanced technology products, the industrial distribution and music businesses, operating cash flow, and other matters that involve a number of uncertainties that may cause actual results to differ materially from expectations. Those uncertainties include, but are not limited to: 1) the successful conclusion of competitions and thereafter contract negotiations with government authorities, including foreign governments; 2) political developments in countries where the corporation intends to do business; 3) standard government contract provisions permitting renegotiation of terms and termination for the convenience of the government; 4) economic and competitive conditions in markets served by the corporation, particularly industrial production and commercial aviation, and global economic conditions; 5) satisfactory completion of the Australian SH-2G(A) program, including successful completion and integration of the full ITAS software; 6) recovery of the corporation's investment in the MD Helicopters, Inc. contracts; 7) achievement of and actual costs for recertifying products and processes in connection with start up of the expanded Jacksonville facility; 8) JPF program final qualification test results and receipt of production orders; 9) achievement of enhanced business base in the Aerospace segment in order to better absorb overhead and general and administrative expenses; 10) successful sale or lease of existing K-MAX inventory; 11) the condition of consumer markets for musical instruments; 12) profitable integration of acquired businesses into the corporation's operations; 13) changes in supplier sales or vendor incentive policies; 14) the effect of price increases or decreases; and 15) currency exchange rates, taxes, changes in laws and regulations, inflation rates, general business conditions and other factors. Any forward looking information should be considered with these factors in mind.

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### Selected Quarterly Financial Data Kaman Corporation and Subsidiaries (In thousands except per share amounts)

	first quarter	second quarter	third quarter	fourth quarter	total year
<b>NET SALES</b>					
2003	\$ 216,010	\$ 216,311	\$ 223,324	\$ 238,854	\$ 894,499
2002	223,093	209,141	218,266	230,276	880,776
<b>GROSS PROFIT</b>					
2003	\$ 58,140	\$ 58,150	\$ 54,740	\$ 53,310	\$ 224,349
2002	60,410	(19,659)	57,305	59,477	157,533
<b>NET EARNINGS (LOSS)</b>					
2003	\$ 13,966	\$ 3,284	\$ 1,188	\$ 967	\$ 19,405
2002	5,341	(50,366)	5,572	5,852	(33,601)
<b>PER SHARE — BASIC</b>					
2003	\$ .62	\$ .15	\$ .05	\$ .04	\$ .86
2002	.24	(2.25)	.25	.26	(1.50)
<b>PER SHARE — DILUTED</b>					
2003	\$ .60	\$ .15	\$ .05	\$ .04	\$ .86
2002	.24	(2.25)	.25	.26	(1.50)

The calculated per share diluted amount for the twelve months ended December 31, 2002 is anti dilutive, therefore, amount shown is equal to the basic per share calculation.

The quarterly per share diluted amounts for 2003 do not equal the "Total Year" figure due to the calculation being anti dilutive in the third and fourth quarters.

Consolidated Balance Sheets  
Kaman Corporation and Subsidiaries  
(In thousands except share and per share amounts)

December 31	2003	2002
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 7,130	\$ 5,571
Accounts receivable	193,243	195,857
Inventories	178,952	164,715
Income taxes receivable	1,043	5,192
Deferred income taxes	26,026	28,450
Other current assets	12,457	14,460
Total current assets	418,851	414,245
PROPERTY, PLANT AND EQUIPMENT, NET	51,049	61,635
GOODWILL	38,638	35,973
OTHER INTANGIBLE ASSETS, NET	14,709	15,021
OTHER ASSETS	5,064	8,666
TOTAL ASSETS	\$ 528,311	\$ 535,540
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Notes payable	\$ 6,013	\$ 8,647
Current portion of long term debt	1,660	1,660
Accounts payable trade	59,600	46,664
Accrued salaries and wages	8,698	8,434
Accrued vacations	5,885	6,434
Accrued contract loss	23,611	26,674
Accrued restructuring cost	6,109	7,594
Advances on contracts	19,693	22,318
Other accruals and payables	29,286	28,669
Total current liabilities	160,555	157,094

Consolidated Balance Sheets  
Kaman Corporation and Subsidiaries  
(In thousands except share and per share amounts)

December 31	2003	2002
<b>LONG TERM DEBT, EXCLUDING CURRENT PORTION</b>		
	36,624	60,132
OTHER LONG TERM LIABILITIES	27,949	26,367
<b>SHAREHOLDERS' EQUITY</b>		
Capital stock, \$1 par value per share:		
Preferred stock, authorized 700,000 shares:		

Series 2 preferred stock, 6.5% cumulative convertible, authorized 500,000 shares, none outstanding		
Common stock:		
Class A, authorized 48,500,000 shares, nonvoting; \$.10 per common share dividend preference; issued 23,066,260 shares in 2003 and 2002	23,066	23,066
Class B, authorized 1,500,000 shares, voting; issued 667,814 shares in 2003 and 2002	668	668
Additional paid in capital	76,744	77,267
Retained earnings	219,401	209,932
Unamortized restricted stock awards	(1,727)	(2,094)
Accumulated other comprehensive income (loss)	(1,311)	(1,099)
	316,841	307,740
Less 1,103,636 shares and 1,274,091 shares of Class A common stock in 2003 and 2002, respectively, held in treasury, at cost	(13,658)	(15,793)
Total shareholders' equity	303,183	291,947
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 528,311	\$ 535,540

See accompanying notes to consolidated financial statements.

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Consolidated Statements of Operations  
Kaman Corporation and Subsidiaries  
(In thousands except per share amounts)

Year ended December 31	2003	2002	2001
NET SALES	\$ 894,499	\$ 880,776	\$ 875,869
COSTS AND EXPENSES			
Cost of sales (1)	670,150	723,243	673,782
Selling, general and administrative expense	207,857	199,453	188,752
Restructuring costs (2)		8,290	
Other operating income	(1,448)	(1,302)	(1,076)
Net gain on sale of product lines and other assets	(18,163)	(2,299)	(2,637)
Interest expense (income), net	3,008	2,486	623
Other expense, net	1,265	1,831	761
	862,669	931,702	860,205
EARNINGS (LOSS) BEFORE INCOME TAXES	31,830	(50,926)	15,664
INCOME TAXES (BENEFIT)	12,425	(17,325)	3,950
NET EARNINGS (LOSS)	\$ 19,405	\$ (33,601)	\$ 11,714
PER SHARE			
Net earnings (loss) per share:			
Basic	\$ .86	\$ (1.50)	\$ .52
Diluted (3)	.86	(1.50)	.52
Dividends declared	.44	.44	.44

(1) Cost of sales for the twelve months ended December 31, 2002 includes the write off of K MAX assets of \$50,000 and Moosup

~~facility assets of \$2,679, both of which are associated with the charge taken in the Aerospace segment.~~

~~(2) Restructuring costs for the twelve months ended December 31, 2002 relate to the closure of the Moosup facility in 2003 and are associated with the charge taken in the Aerospace segment.~~

~~(3) The calculated diluted per share amounts for the twelve months ended December 31, 2002 and 2001 are anti dilutive, therefore, amounts shown are equal to the basic per share calculation.~~

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

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~~Consolidated Statements of Changes in Shareholders' Equity  
Kaman Corporation and Subsidiaries  
(In thousands except share amounts)~~

<del>Year ended December 31</del>	<del>2003</del>	<del>2002</del>	<del>2001</del>
<del>SERIES 2 PREFERRED STOCK</del>	<del>\$</del>	<del>\$</del>	<del>\$</del>
<del>CLASS A COMMON STOCK</del>	<del>23,066</del>	<del>23,066</del>	<del>23,066</del>
<del>CLASS B COMMON STOCK</del>	<del>668</del>	<del>668</del>	<del>668</del>
<del>ADDITIONAL PAID IN CAPITAL</del>			
<del>Balance beginning of year</del>	<del>77,267</del>	<del>77,389</del>	<del>77,298</del>
<del>Employee stock plans</del>	<del>(398)</del>	<del>(304)</del>	<del>(234)</del>
<del>Restricted stock awards</del>	<del>(125)</del>	<del>182</del>	<del>325</del>
<del>Balance end of year</del>	<del>76,744</del>	<del>77,267</del>	<del>77,389</del>
<del>RETAINED EARNINGS</del>			
<del>Balance beginning of year</del>	<del>209,932</del>	<del>253,403</del>	<del>251,526</del>
<del>Net earnings (loss) (1)</del>	<del>19,405</del>	<del>(33,601)</del>	<del>11,714</del>
<del>Dividends declared</del>	<del>(9,936)</del>	<del>(9,870)</del>	<del>(9,837)</del>
<del>Balance end of year</del>	<del>219,401</del>	<del>209,932</del>	<del>253,403</del>
<del>UNAMORTIZED RESTRICTED STOCK AWARDS</del>			
<del>Balance beginning of year</del>	<del>(2,094)</del>	<del>(2,206)</del>	<del>(1,643)</del>
<del>Stock awards issued</del>	<del>(529)</del>	<del>(832)</del>	<del>(1,585)</del>
<del>Amortization of stock awards</del>	<del>896</del>	<del>944</del>	<del>1,022</del>
<del>Balance end of year</del>	<del>(1,727)</del>	<del>(2,094)</del>	<del>(2,206)</del>
<del>ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)</del>			
<del>Balance beginning of year</del>	<del>(1,099)</del>	<del>(919)</del>	<del>(749)</del>
<del>Foreign currency translation adjustment (1)</del>	<del>(212)</del>	<del>(180)</del>	<del>(170)</del>
<del>Balance end of year</del>	<del>(1,311)</del>	<del>(1,099)</del>	<del>(919)</del>

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~~Consolidated Statements of Changes in Shareholders' Equity  
Kaman Corporation and Subsidiaries  
(In thousands except share amounts)~~

<del>Year ended December 31</del>	<del>2003</del>	<del>2002</del>	<del>2001</del>
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**TREASURY STOCK**

Balance beginning of year	(15,793)	(17,820)	(18,120)
Shares acquired in 2003 20,000;			
2002 37,300; 2001 211,550	(205)	(412)	(2,760)
Shares reissued under various			
stock plans	2,340	2,439	3,060
Balance end of year	(13,658)	(15,793)	(17,820)
TOTAL SHAREHOLDERS' EQUITY	\$ 303,183	\$ 291,947	\$ 333,581
=====			

(1) Comprehensive income (loss) is \$19,193, \$(33,781), and \$11,544 for 2003, 2002 and 2001, respectively.

See accompanying notes to consolidated financial statements.

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**Consolidated Statements of Cash Flows**  
**Kaman Corporation and Subsidiaries**  
**(In thousands)**

Year ended December 31	2003	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES			
Net earnings (loss)	\$ 19,405	\$ (33,601)	\$ 11,714
Adjustments to reconcile net earnings (loss) to cash provided by (used in) operating activities:			
Depreciation and amortization	10,019	11,620	11,441
Net gain on sale of product lines and other assets	(18,163)	(2,299)	(2,637)
Restructuring costs		8,290	
Non cash write down of assets		52,679	
Deferred income taxes	5,994	(16,715)	(375)
Other, net	2,376	3,403	2,152
Changes in current assets and liabilities, excluding effects of acquisitions/divestitures:			
Accounts receivable	3,231	(4,625)	32,411
Inventories	(9,806)	(12,751)	5,407
Income taxes receivable	4,149	(4,888)	(4,081)
Other current assets	2,267	(2,691)	(3,680)
Accounts payable trade	10,106	(8,813)	(9,284)
Accrued contract loss	(3,063)	26,674	
Accrued restructuring			

costs	(1,485)	(696)	
Advances on contracts	(1,846)	(9,286)	(11,124)
Accrued expenses and payables	3,459	(17,470)	(11,813)
Cash provided by (used in) operating activities	26,643	(11,169)	20,131
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of product lines and other assets	28,339	8,034	4,047
Expenditures for property, plant and equipment	(9,069)	(7,601)	(8,033)
Acquisition of businesses, less cash acquired	(7,748)	(51,227)	(20,845)
Other, net	(1,599)	1,854	(253)
Cash provided by (used in) investing activities	9,923	(48,940)	(25,084)

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Consolidated Statements of Cash Flows  
Kaman Corporation and Subsidiaries  
(In thousands)

Year ended December 31	2003	2002	2001
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Changes in notes payable	(2,664)	5,985	318
Changes in long term debt	(23,508)	36,906	(1,660)
Proceeds from exercise of employee stock plans	1,287	1,485	1,566
Purchases of treasury stock	(205)	(412)	(2,760)
Dividends paid	(9,917)	(9,850)	(9,834)
Other		732	
Cash provided by (used in) financing activities	(35,007)	34,846	(12,370)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
	1,559	(25,263)	(17,323)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>			
	5,571	30,834	48,157
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
	\$ 7,130	\$ 5,571	\$ 30,834

See accompanying notes to consolidated financial statements.

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## ~~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. Certain amounts in prior year financial statements and notes thereto have been reclassified to conform to current year presentation.~~

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

~~CASH AND CASH EQUIVALENTS — Surplus funds are invested in cash equivalents which consist of highly liquid investments with original maturities of three months or less.~~

~~REVENUE RECOGNITION — Sales and estimated profits under long term contracts are principally recognized on the percentage of completion method of accounting, generally using as a measurement basis either a 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, or units of delivery. Reviews of contracts are made regularly 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.~~

~~— Sales and related cost of sales for products and programs not accounted for under the percentage of completion method are recognized when products are shipped to customers and title has passed.~~

~~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.~~

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Notes to Consolidated Financial Statements  
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~~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. The estimated useful lives for buildings range between 15 to 40 years and leasehold improvements range between 5 to 15 years, whereas machinery, office furniture and equipment generally range between 3 to 10 years. 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 AND OTHER INTANGIBLE ASSETS — Goodwill and intangible assets with indefinite lives are not amortized, but are evaluated for impairment at least annually. Intangible assets with finite lives (presently consisting of patents) are amortized using the straight line method over their estimated period of benefit and reviewed for possible impairment whenever changes in conditions~~

~~indicate carrying value may not be recoverable.~~

~~VENDOR INCENTIVES — The corporation's Industrial Distribution segment enters into agreements with certain vendors providing for inventory purchase incentives that are generally earned upon achieving specified volume purchasing levels. The segment recognizes these incentives as a reduction in cost of goods sold.~~

~~RESEARCH AND DEVELOPMENT — Research and development costs not specifically covered by contracts are charged against income as incurred through selling, general and administrative expense. Such costs amounted to \$4,318 in 2003, \$5,363 in 2002 and \$4,673 in 2001.~~

~~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.~~

~~STOCK-BASED COMPENSATION — As permitted by Statement of Financial Accounting Standards No. 123 "Accounting for Stock Based Compensation" ("SFAS 123"), the corporation has elected to continue following the guidance of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," for~~

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~~Notes to Consolidated Financial Statements  
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~~measurement and recognition of stock based transactions with employees. Accordingly, no compensation cost has been recognized for its stock plans other than for the restricted stock awards and stock appreciation rights. Under the disclosure alternative of SFAS 123, the pro forma net earnings and earnings per share information presented below includes the compensation cost of stock options issued to employees based on the fair value at the grant date and includes compensation cost for the 15% discount offered to participants in the employees stock purchase plan.~~

	2003	2002	2001
<hr/>			
Net earnings (loss):			
— As reported	\$ 19,405	\$ (33,601)	\$ 11,714
— Less stock option expense	(1,258)	(1,388)	(1,266)
— Tax effect	491	472	319
<hr/>			
— Pro forma net earnings (loss)	\$ 18,638	\$ (34,517)	\$ 10,767
<hr/>			
Earnings (loss) per share — basic:			
— As reported	.86	(1.50)	.52
— Pro forma	.83	(1.54)	.48
Earnings (loss) per share — diluted:			
— As reported	.86	(1.50)	.52
— Pro forma	.83	(1.54)	.48

~~The fair value of each option grant is estimated on the date of grant by using the Black Scholes option pricing model. The following weighted average assumptions were used for grants in 2003, 2002 and 2001:~~

	2003	2002	2001
<hr/>			
Expected dividend yield	4.4%	3.0%	2.7%
Expected volatility	47%	45%	45%
Risk free interest rate	3.9%	4.9%	5.1%
Expected option lives	8 years	8 years	8 years
Per share fair value of			
— options granted	\$ 3.33	\$ 5.86	\$ 6.84
<hr/>			

~~Notes to Consolidated Financial Statements  
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~~RECENT ACCOUNTING STANDARDS In June 2002, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" ("SFAS 146"). SFAS 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. SFAS 146 also requires that the initial measurement of a liability be at fair value. SFAS 146 is effective for exit or disposal activities that are initiated after December 31, 2002. The corporation adopted SFAS 146 effective January 1, 2003 and that adoption did not have a material impact on its consolidated results of operations or financial position.~~

~~In December 2002, the FASB issued Statement of Financial Accounting Standards No. 148, "Accounting for Stock Based Compensation Transition and Disclosure an amendment of FASB Statement No. 123" ("SFAS 148"). SFAS 148 amends FASB Statement No. 123, "Accounting for Stock Based Compensation" to provide alternative methods for a voluntary change to the fair value based method of accounting for stock based employee compensation and amends the disclosure requirements of Statement 123 in both annual and interim financial statements. The provisions of SFAS 148 are effective in fiscal years ending after December 15, 2002. The corporation has adopted the statement in accordance with its terms and that adoption did not have a material impact on the corporation's consolidated results of operations or financial position.~~

~~In April 2003, the FASB issued Statement of Financial Accounting Standards No. 149, "Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133" ("SFAS 149"). SFAS 149 amends FASB Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" to provide more consistent reporting of contracts as either derivatives or hybrid instruments. The provisions of SFAS 149 are effective for contracts entered into or modified after June 30, 2003. The corporation has adopted the statement in accordance with its terms and that adoption did not have a material impact on the corporation's consolidated results of operations or financial position.~~

~~In May 2003, the FASB issued Statement of Financial Accounting Standards No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" ("SFAS 150"). SFAS 150 establishes standards for how an issuer classifies and measures certain financial instruments with~~

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~~characteristics of both liabilities and equity. SFAS 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. The corporation has adopted SFAS 150 in accordance with its terms and that adoption did not have a material impact on the corporation's consolidated results of operations or financial position.~~

~~In December 2003, the FASB issued Statement of Financial Accounting Standards No. 132 (revised 2003), "Employers' Disclosures about Pensions and Other Postretirement Benefits" ("SFAS 132R"). SFAS 132R revises employers' disclosures about pension plans and other postretirement benefit plans to include information describing the types of plan assets, investment~~

strategy, measurement dates, plan obligations, cash flows, and components of net periodic benefit cost recognized during interim periods. SFAS 132R is effective for financial statements for interim or annual periods ending after December 15, 2003. The corporation has provided the disclosures required in accordance with its terms as of December 31, 2003.

#### ~~ACQUISITION OF BUSINESSES~~

~~During the fourth quarter of 2003, the corporation purchased a majority of the assets and business of Industrial Supplies, Inc. ("ISI"), located in Birmingham, Alabama. ISI is a distributor of a wide variety of bearing, conveyor, electrical, fluid power and power transmission components used by manufacturing, mining, steel, lumber, pulp and paper, food and other industries. ISI had net sales of approximately \$28,600 in 2002. The assets acquired, liabilities assumed and results of operations since the acquisition have been included in the Industrial Distribution segment.~~

~~— In October 2002, the corporation purchased the stock of Latin Percussion, Inc., a leading global distributor of a wide range of latin hand percussion instruments. The assets acquired, liabilities assumed and results of operations since the acquisition have been included in the Music segment.~~

~~— In late July 2002, the corporation purchased the stock of RWG Frankenjura Industrie Flugwerklager GmbH ("RWG"), a German aerospace bearing manufacturer that complements the corporation's proprietary line of bearings and provides a presence in European aerospace markets. RWG's largest customer is Airbus Industrie. The~~

~~Notes to Consolidated Financial Statements  
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~~assets acquired, liabilities assumed and results of operations since the acquisition have been included in the Aerospace segment.~~

~~— In July 2002, the corporation purchased the assets and certain liabilities of Dayron (a division of DSE, Inc.), a weapons fuze manufacturer, located in Orlando, Florida. Dayron manufactures bomb fuzes for a variety of munitions programs, and has the contract to develop a fuze for the U.S. Air Force and Navy Joint Programmable Fuze (JPF) program. The assets acquired, liabilities assumed and results of operations since the acquisition have been included in the Aerospace segment.~~

~~— During the first quarter of 2002, the corporation acquired a 60% equity interest in Delamac de Mexico S.A. de C.V., a leading distributor of industrial products headquartered in Mexico City. Delamac supplies power transmission, bearings and fluid power products. The assets acquired and liabilities assumed and results of operations since the acquisition have been included in the Industrial Distribution segment.~~

~~— In the aggregate, the corporation paid \$7,748 and \$51,227 for acquisition of businesses in 2003 and 2002, respectively, and there is potential for contingency payments at Dayron of up to \$25,000 over the next nine years if certain milestones are reached. Any such contingency payments would be treated as additional goodwill. An accrual of \$1,000 was recorded as of December 31, 2003 associated with these additional payments for which milestones were met.~~

~~— In December 2001, the company purchased the stock of H.I.G. Aerospace Group, Inc., parent company of Plastic Fabricating Company, Inc. The assets acquired, liabilities assumed and results of operations since the acquisition have been included in the Aerospace segment.~~

~~— In September 2001, the company purchased a majority of the assets and liabilities of A C Supply, Inc. The assets acquired, liabilities assumed and results of operations since the acquisition have been included in the Industrial Distribution~~

~~segment.~~

~~— All acquisitions have been accounted for as purchases with the purchase price being allocated to the fair value of tangible and intangible assets acquired and liabilities assumed. The excess of the purchase price over the estimated fair market value of net~~

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~~assets acquired has been assigned to goodwill. In accordance with SFAS 142, the goodwill has not been amortized.~~

~~— Assuming these acquisitions had taken place on January 1, 2002, Kaman Corporation's pro forma net sales, earnings (loss) before income taxes, net earnings (loss) and net earnings (loss) per share for the years ended December 31, 2003 and 2002 would have been as follows:~~

	Pro forma	
December 31 (unaudited)	2003	2002
Net sales	\$ 914,470	\$ 942,197
Earnings (loss)		
—before income taxes	31,334	(50,351)
Net earnings (loss)	10,103	(33,178)
Net earnings (loss) per share:		
— Basic	.85	(1.48)
— Diluted	.85	(1.48)

~~The pro forma results are not necessarily indicative of the results of operations that would have occurred had the acquisitions actually been completed on January 1, 2002. The pro forma results do not include future initiatives or planned synergies, nor are they intended to be indicative of future results. The underlying pro forma information includes interest expense and income tax assumptions associated with the transactions.~~

#### ~~DIVESTITURES~~

~~In January 2003, the corporation sold its electric motor and drive business, operating as the Electromagnetics Development Center ("EDC") within the Kaman Aerospace subsidiary, to DRS Technologies, Inc. for \$27,500. The sale resulted in a pre-tax gain of \$17,415. The EDC contributed sales of approximately \$14,000 in 2002.~~

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~~— In April 2002, the corporation sold its microwave products line to Meggitt Safety Systems, Inc. That product line was associated with the former Kaman Sciences Corp., a subsidiary which was sold in 1997, being no longer core to the segment's advanced technology business. Microwave product sales were approximately \$7,500 for the year 2001.~~

#### ~~RESTRUCTURING COSTS~~

The Aerospace segment recorded pre-tax restructuring costs of \$8,290 in the second quarter of 2002 for the cost of phasing out the company's aircraft manufacturing plant in Moosup, Connecticut. The charges represent severance costs of \$3,290 at the Moosup and Bloomfield, Connecticut locations for approximately 400 employees (of which \$2,181 has been paid for 289 such separations as of December 31, 2003) and costs of \$5,000 for closing the facility (including costs of an ongoing voluntary environmental remediation program). During 2003, the corporation incurred an additional \$3,550 of period costs for moving machinery to other company facilities and recertifying products and processes.

#### ASSET WRITE-DOWNS/WRITE-OFFS

During the second quarter of 2002, as a result of management's evaluation of the K MAX program, the Aerospace segment wrote down its K MAX helicopter program assets, including \$46,665 for inventories and \$3,335 for capital equipment. In addition, the segment wrote off Moosup facility assets of \$2,679, as a result of the previously described facility closure. These charges are included in cost of sales for 2002.

#### ACCRUED CONTRACT LOSS

During the second quarter of 2002, the Aerospace segment recorded a pre-tax charge of \$25,000 for estimated cost growth on the Australia SH-2G(A) helicopter program, which put the contract in a loss position. Accordingly, the corporation eliminated the \$6,505 profit element of previously recorded sales and recognized pre-tax loss accruals of \$18,495 for anticipated cost growth associated with completion of the aircraft, final integration and testing of the aircraft's advanced Integrated Tactical Avionics System ("ITAS") software.

During the fourth quarter of 2002, the Aerospace segment recorded an additional loss accrual for the Australia SH-2G(A) helicopter program. This loss accrual reflects the impact of

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higher overhead rates, which were attributable to lower production activity in the corporation's aerospace subsidiary.

#### ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

December 31	2003	2002
Trade receivables, net of allowance for doubtful accounts of \$3,340 in 2003, \$2,853 in 2002	\$ 74,816	\$ 72,471
U.S. Government contracts:		
— Billed	9,355	11,607
— Recoverable costs and accrued profit not billed	10,014	21,225
Commercial and other government contracts:		
— Billed	19,711	21,628
— Recoverable costs and accrued profit not billed	79,347	68,926
Total	\$ 193,243	\$ 195,857

The allowance for doubtful accounts reflects management's best estimate of probable losses inherent in the trade accounts receivable balance. Management determines the allowance based on



~~known troubled accounts, historical experience, and other currently available evidence.~~

~~Recoverable costs and accrued profit not billed represent costs incurred on contracts which will become billable upon future deliveries, achievement of specific contract milestones or completion of engineering and service type contracts. Management estimates that approximately \$53,204 of such costs and accrued profits at December 31, 2003 will be collected after one year. The costs included in this estimate are for the corporation's programs with the Royal Australian Navy and MD Helicopters, Inc. ("MDHI").~~

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~~The corporation's Aerospace segment provides fuselages for the MD Helicopters 500 and 600 series helicopters and composite rotor blades for the MD Explorer helicopter. Total orders received from MDHI have run at significantly lower rates than originally anticipated due to lower than expected demand. The corporation's investment in these contracts consists of \$4.4 million in billed receivables and \$16.4 million in recoverable costs not billed (including start up costs and other program expenditures) as of December 31, 2003. The corporation received payments in 2003 totaling \$4.4 million, primarily for items shipped during 2003. The recoverability of unbilled costs will depend to a significant extent upon MDHI's future requirements through 2013. The corporation has stopped production on these programs while working closely with the customer to resolve overall payment issues and establish conditions under which production could be resumed, including the timing thereof. Based on their projected future requirements and inventory on hand at MDHI and Kaman, this would not be expected to occur until the second half of 2004 at the earliest. Although the outcome is not certain, the company understands that MDHI management is pursuing strategies to improve its current financial and operational circumstances.~~

~~In applying the guidance of Statement of Financial Accounting Standards No. 5 "Accounting for Contingencies" ("SFAS 5"), the corporation's management has concluded that some level of impairment to the MDHI investment, while not probable, is reasonably possible. In assessing the range of potential loss, current program estimates project the entire amount of the corporation's current investment to be recoverable over the full term of the contracts, which makes the minimum end of the potential loss range zero. Therefore, no impairment to the carrying value of the corporation's investment in the MDHI programs has been recorded to date.~~

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INVENTORIES

Inventories are comprised as follows:

December 31	2003	2002
Merchandise for resale	\$ 94,042	\$ 95,056
Contracts in process:		
— U.S. Government	21,127	13,348
— Commercial	15,895	16,694
Other work in process (including certain general stock materials)	23,103	31,875
Finished goods	24,785	7,742
Total	\$ 178,952	\$ 164,715

Included above in other work in process and finished goods at December 31, 2003 and 2002 is K-MAX inventory of \$33,437 and \$25,181, respectively.

The aggregate amounts of general and administrative costs incurred in the Aerospace segment and allocated to contracts in process during 2003, 2002 and 2001 were \$34,793, \$51,845 and \$49,816, respectively.

The estimated amounts of general and administrative costs remaining in contracts in process at December 31, 2003 and 2002 amount to \$4,118 and \$4,222, 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:

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December 31	2003	2002
Land	\$ 4,236	\$ 6,524
Buildings	29,070	35,077
Leasehold improvements	13,486	11,397
Machinery, office furniture and equipment	107,239	108,920
Total	154,031	161,918
Less accumulated depreciation and amortization	102,982	100,283
Property, plant and equipment, net	\$ 51,049	\$ 61,635

#### GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets are as follows:

December 31	2003	2002
-------------	------	------

<del>Goodwill:</del>		
<del>— Aerospace</del>	<del>\$ 31,690</del>	<del>\$ 30,635</del>
<del>— Industrial Distribution</del>	<del>4,277</del>	<del>3,197</del>
<del>— Music</del>	<del>2,671</del>	<del>2,141</del>
	<del>\$ 38,638</del>	<del>\$ 35,973</del>
<del>=====</del>		

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<del>December 31</del>	<del>2003</del>	<del>2002</del>
<del>Other intangible assets, net:</del>		
<del>— Trade name not subject to amortization</del>	<del>\$ 13,819</del>	<del>\$ 13,819</del>
<del>— Patents, net subject to amortization</del>	<del>890</del>	<del>1,202</del>
	<del>\$ 14,709</del>	<del>\$ 15,021</del>
<del>=====</del>		

~~Intangible amortization expense was \$107 in 2003 and 2002 compared to \$99 in 2001.~~

#### ~~CREDIT ARRANGEMENTS — SHORT TERM BORROWINGS AND LONG TERM DEBT~~

~~REVOLVING CREDIT AGREEMENT — The corporation maintains a revolving credit agreement (the "Revolving Credit Agreement") with several banks that provides a \$150,000 five year commitment scheduled to expire in November 2005. Prior to November 2003, the corporation also maintained a \$75,000 "364 day" annually renewable facility as part of the Revolving Credit Agreement. Both portions of the Revolving Credit Agreement provide for interest at current market rates. In view of the longer term attractiveness of fixed rates in the current environment and the fact that the "364 day" facility had never been used, the corporation permitted it to expire in November 2003.~~

~~— In the third quarter of 2003, the Revolving Credit Agreement was amended to give potential lenders under a new fixed rate financing of up to \$75,000 the same covenant and guarantee protections that the Revolving Credit Agreement lenders currently possess.~~

~~— In the second quarter of 2002, the Revolving Credit Agreement was amended to exclude the non-cash portion of the 2002 second quarter charges, up to \$52,500, from the financial covenant calculations under the agreement.~~

~~— In general, outstanding letters of credit are considered indebtedness under the Revolving Credit Agreement.~~

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~~SHORT-TERM BORROWINGS — Under the Revolving Credit Agreement, the corporation has the ability to borrow funds on both a short-term and long-term basis. The corporation also has certain other credit arrangements with these banks to borrow funds on a short-term basis with interest at current market rates.~~

~~Short-term borrowings outstanding are as follows:~~

<del>December 31</del>	<del>2003</del>	<del>2002</del>
<del>Revolving credit agreement</del>	<del>\$ 6,013</del>	<del>\$ 8,647</del>
<del>Other credit arrangements</del>	<del>6,013</del>	<del>8,647</del>
<del>Total</del>	<del>\$ 6,013</del>	<del>\$ 8,647</del>

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

<del>December 31</del>	<del>2003</del>	<del>2002</del>
<del>Revolving credit agreement</del>	<del>\$ 7,000</del>	<del>\$ 30,840</del>
<del>Euro credit agreement</del>	<del>9,718</del>	<del>7,726</del>
<del>Convertible subordinated debentures</del>	<del>21,566</del>	<del>23,226</del>
<del>Total</del>	<del>38,284</del>	<del>61,792</del>
<del>Less current portion</del>	<del>1,660</del>	<del>1,660</del>
<del>Total excluding current portion</del>	<del>\$ 36,624</del>	<del>\$ 60,132</del>

~~In the third quarter of 2002, the corporation entered into a 9,500 Euro credit agreement (the "Euro Credit Agreement") with one of the Revolving Credit Agreement lenders having offices in London. In general, the Euro Credit Agreement contains the same financial covenants as the Revolving Credit Agreement described previously and the term of the Euro Credit Agreement expires at~~

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~~the same time as the Revolving Credit Agreement. During the third quarter of 2003, the Euro Credit Agreement was amended to conform with the previously described amendment to the Revolving Credit Agreement.~~

~~RESTRICTIVE COVENANTS — The most restrictive of the covenants contained in the Revolving Credit Agreement requires the corporation to have EBITDA, as defined, at least equal to 300% of net interest expense, on the basis of a rolling four quarters and a ratio of consolidated total indebtedness to total capitalization of not more than 55%. The non-cash portion of the 2002 second quarter charges, up to \$52,500, were excluded from the financial covenant calculations during the four quarters ended March 31, 2003.~~

~~CERTAIN LETTERS OF CREDIT — The face amounts of irrevocable letters of credit issued under the Revolving Credit Agreement totaled \$29,769 and \$50,975 at December 31, 2003 and 2002, respectively. Of those amounts, \$23,000 and \$43,000, respectively, are attributable to the Australia SH-2G(A) helicopter program.~~

~~CONVERTIBLE SUBORDINATED DEBENTURES — The corporation issued its~~

~~6% convertible subordinated debentures during 1987. The debentures are convertible into shares of the Class A common stock of Kaman Corporation at any time on or before March 15, 2012 at a conversion price of \$23.36 per share at the option of the holder unless previously redeemed by the corporation. Pursuant to a sinking fund requirement that began March 15, 1997, the corporation redeems \$1,660 of the outstanding principal amount of the debentures annually. The debentures are subordinated to the claims of senior debt holders and general creditors. These debentures have a fair value of \$21,350 at December 31, 2003 based upon latest market price.~~

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

2004	\$ 1,660
2005	18,378
2006	1,660
2007	1,660
2008	1,660
Thereafter	13,266

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~~INTEREST PAYMENTS — Cash payments for interest were \$3,174, \$2,668 and \$2,235 for 2003, 2002 and 2001, respectively.~~

#### ~~ADVANCES ON CONTRACTS~~

~~Advances on contracts include customer advances together with customer payments and billings associated with the achievement of certain contract milestones in excess of costs incurred, primarily for the Australia SH 2G(A) helicopter contract. The customer advances for that contract are fully secured by letters of credit. It is anticipated that the advances on contracts along with the face amounts of these letters of credit will remain in place until final acceptance of the aircraft by the Royal Australian Navy, which is expected in 2005.~~

#### ~~INCOME TAXES~~

~~The components of income taxes are as follows:~~

	2003	2002	2001
Current:			
— Federal	\$ 5,205	\$ (1,447)	\$ 3,411
— State	429	698	748
— Foreign	797	273	166
	6,431	(476)	4,325
Deferred:			
— Federal	5,772	(17,111)	(353)
— State	222	262	(22)
— Foreign			
	5,994	(16,849)	(375)
Total	\$ 12,425	\$ (17,325)	\$ 3,950

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

December 31	2003	2002
<b>Deferred tax assets:</b>		
Long term contracts	\$ 9,284	\$ 10,066
Deferred employee benefits	15,559	14,195
Inventory	6,970	9,311
Restructuring costs	2,065	2,679
Accrued liabilities and other items	5,283	7,806
Total deferred tax assets	39,161	44,057
<b>Deferred tax liabilities:</b>		
Depreciation and amortization	(7,124)	(6,820)
Intangibles	(1,509)	(347)
Other items	(898)	(1,533)
Total deferred tax liabilities	(9,531)	(8,700)
Net deferred tax asset		
before valuation allowance	29,630	35,357
Valuation allowance	(1,124)	(857)
Net deferred tax asset		
after valuation allowance	\$ 28,506	\$ 34,500

Valuation allowances of \$1,124 and \$857 at December 31, 2003 and 2002 reduced the deferred tax asset attributable to foreign loss carryforwards to an amount that, based upon all available information, is more likely than not to be realized. Reversal of the valuation allowance is contingent upon the recognition of future taxable income in the foreign country or changes in circumstances which cause the recognition of the benefits of the loss carryforwards to become more likely than not. The increase in the valuation allowance of \$267 is due to the generation of additional foreign losses in 2003.

No valuation allowance has been recorded against other deferred tax assets because the corporation believes that these deferred tax assets will, more likely than not, be realized. This

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determination is based largely upon the corporation's historical earnings trend as well as its ability to carryback reversing items within two years to offset taxes paid. In addition, the corporation has the ability to offset deferred tax assets against deferred tax liabilities created for such items as depreciation and amortization.

Income taxes have not been provided on undistributed earnings of \$3,647 from foreign subsidiaries since it is the corporation's intention to permanently reinvest such earnings or to distribute them only when it is tax efficient to do so. It is impracticable to estimate the total tax liability, if any, which would be caused by the future distribution of these earnings.

The provisions for income taxes approximate the amounts

computed by applying the U.S. federal income tax rate to earnings before income taxes after giving effect to state income taxes. The consolidated effective tax rate was lower due to the reversal of prior years' tax accruals of \$329, \$1,156 and \$2,972 in 2003, 2002 and 2001, respectively, as a result of the corporation's ongoing assessment of its open tax years. The reduction in 2001 included reduced tax considerations related to the Australian SH-26 program. Cash payments for income taxes were \$2,062, \$3,562 and \$8,589 in 2003, 2002 and 2001, respectively.

#### PENSION PLAN

The corporation has a non-contributory defined benefit pension plan covering the full time U.S. employees of all U.S. subsidiaries (with the exception of certain acquired companies that have not adopted the plan). These employees become participants of the plan upon their completion of hours of service requirements. Benefits under this plan are generally based upon an employee's years of service and compensation levels during employment with an offset provision for social security benefits. It is the corporation's policy to fund pension costs accrued. Plan assets are invested in a diversified portfolio consisting of equity and fixed income securities (including \$9,707 of Class A common stock of Kaman Corporation at December 31, 2003). The corporation uses a December 31 measurement date for its pension plan.

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

	2003	2002	2001
Service cost for benefits			
— earned during the year	\$ 10,000	\$ 10,061	\$ 9,757
Interest cost on projected			
— benefit obligation	24,348	24,045	22,822
Expected return on			
— plan assets	(31,445)	(32,761)	(31,614)
Net amortization			
— and deferral	6	(1,382)	(3,589)
Net pension cost (income)	\$ 2,909	\$ (37)	\$ (2,624)
=====			

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

December 31	2003	2002
Projected benefit obligation		
— at beginning of year	\$ 361,213	\$ 329,168
Service cost	10,000	10,061
Interest cost	24,348	24,045
Actuarial liability loss	12,902	15,848
Plan amendments		
Benefit payments	(18,571)	(17,909)
Projected benefit obligation at		
— end of year	\$ 389,892	\$ 361,213
=====		

~~The actuarial liability losses for 2003 and 2002 are principally due to effect of the changes in the discount rate.~~

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

<del>December 31</del>	<del>2003</del>	<del>2002</del>
<hr/>		
<del>Fair value of plan assets at</del>		
<del>— beginning of year</del>	<del>\$ 337,813</del>	<del>\$ 386,642</del>
<del>Actual return on plan assets</del>	<del>66,200</del>	<del>(30,920)</del>
<del>Employer contribution</del>	<del>1,406</del>	
<del>Benefit payments</del>	<del>(18,571)</del>	<del>(17,900)</del>
<hr/>		
<del>Fair value of plan assets</del>		
<del>— at end of year</del>	<del>\$ 386,848</del>	<del>\$ 337,813</del>
<del>=====</del>		

<del>December 31</del>	<del>2003</del>	<del>2002</del>
<hr/>		
<del>Excess (deficiency) of assets over</del>		
<del>— projected benefit obligation</del>	<del>\$ (3,044)</del>	<del>\$ (23,400)</del>
<del>Unrecognized prior service cost</del>	<del>570</del>	<del>576</del>
<del>Unrecognized net (gain) loss</del>	<del>3,572</del>	<del>25,425</del>
<hr/>		
<del>Accrued (prepaid) pension cost</del>	<del>\$ (1,098)</del>	<del>\$ (2,601)</del>
<del>=====</del>		

~~The accumulated benefit obligation for the pension plan was \$350,635 and \$316,356 at December 31, 2003 and 2002, respectively.~~

~~The actuarial assumptions used in determining both benefit obligations of the pension plan are as follows:~~

<del>December 31</del>	<del>2003</del>	<del>2002</del>
<hr/>		
<del>Discount rate</del>	<del>6.5%</del>	<del>7.0%</del>
<del>Average rate of increase in</del>		
<del>— compensation levels</del>	<del>3.5%</del>	<del>4.0%</del>
<del>=====</del>		

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~~The actuarial assumptions used in determining the net periodic benefit cost of the pension plan are as follows:~~

<del>December 31</del>	<del>2003</del>	<del>2002</del>
<hr/>		
<del>Discount rate</del>	<del>7.0%</del>	<del>7.5%</del>
<del>Expected return on plan assets</del>	<del>8.5%</del>	<del>8.6%</del>



Average rate of increase in		
compensation levels	4.0%	4.5%
=====		

~~— The expected return on plan assets rate was determined based upon historical returns adjusted for estimated future market fluctuations.~~

~~— The weighted average asset allocations by asset category are as follows:~~

December 31	2003	2002
=====		
Equity securities	58%	48%
Fixed income securities	42%	52%
=====		
Total	100%	100%
=====		

~~— The investment policies and goals for pension plan assets are a) to place assets with investment managers approved by the Finance Committee of the Board of Directors b) to diversify across traditional equity and fixed income asset classes to minimize the risk of large losses and c) to seek the highest total return (through a combination of income and asset appreciation) consistent with prudent investment practice, and on a five year moving basis, not less than the actuarial earnings assumption.~~

~~— The target equity/fixed asset allocation ratio is 60%/40% over the long term. If the ratio for any asset class moves outside permitted ranges, the pension plan's Administrative Committee (the management committee that is responsible for plan administration)~~

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~~will act through an immediate or gradual process, as appropriate, to reallocate assets.~~

~~— Under the current investment policy no investment is made in commodities, nor are short sales, margin buying hedges, covered or uncovered call options, puts, straddles or other speculative trading devices permitted. No manager may invest in international securities, inflation linked treasuries, real estate, private equities, or securities of Kaman Corporation without authorization from the corporation. In addition, with the exception of U.S. Government securities, managers' holdings in the securities of any issuer, at the time of purchase, may not exceed 7.5% of the total market value of that manager's account.~~

~~— Investment manager performance is evaluated over various time periods in relation to peers and the following indexes: Domestic Equity Investments, S&P 500; International Equity Investments, Morgan Stanley EAFE; Fixed Income Investments, Lehman Brothers' Aggregate.~~

~~— The corporation does not expect to make a contribution to the pension plan in 2004.~~

~~— The corporation also maintains a defined contribution plan which has been adopted by certain of its U.S. subsidiaries. All employees of adopting employers who meet the eligibility requirements of the plan may participate. Employer matching contributions are currently made to the plan with respect to a percentage of each participant's pre tax contribution. For each dollar that a participant contributes, up to 5% of compensation, participating subsidiaries make employer contributions of fifty cents (\$.50). Employer contributions to the plan totaled \$2,900, \$3,019 and \$3,438 in 2003, 2002 and 2001, respectively.~~

~~Certain U.S. subsidiaries acquired in 2002 and 2001 maintain their own defined contribution plans for their eligible employees. Employer matching contributions are made on a discretionary basis.~~

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~~OTHER LONG-TERM LIABILITIES~~

~~Other long term liabilities consist of the following:~~

<del>December 31</del>	<del>2003</del>	<del>2002</del>
<del>Supplemental employees'</del>		
<del>retirement plan</del>	<del>\$ 15,199</del>	<del>\$ 13,680</del>
<del>Deferred compensation</del>	<del>8,395</del>	<del>8,288</del>
<del>Other</del>	<del>4,355</del>	<del>4,399</del>
<del>Total</del>	<del>\$ 27,949</del>	<del>\$ 26,367</del>

~~COMMITMENTS AND CONTINGENCIES~~

~~Rent commitments under various leases for office space, warehouses, land and buildings expire at varying dates from January 2004 to December 2013. Certain annual rentals are subject to renegotiation, with certain leases renewable for varying periods. Lease periods for machinery and equipment vary from 1 to 5 years.~~

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

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

2003:-

2004	\$ 12,978
2005	6,477
2006	3,793
2007	2,420
2008	958
Thereafter	2,538
Total	\$ 29,164

Lease expense for all operating leases, including leases with terms of less than one year, amounted to \$15,878, \$15,172 and \$15,113 for 2003, 2002 and 2001, 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 SHARE

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

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

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share diluted calculation are options granted to employees that are anti-dilutive based on the average stock price for the year.

	2003	2002	2001
Earnings (loss)			
per share basic			
Net earnings (loss)	\$ 19,405	\$ (33,601)	\$ 11,714
Weighted average shares outstanding (000)	22,561	22,408	22,364
Earnings (loss) per share basic	\$ .86	\$ (1.50)	\$ .52
Earnings (loss) per share diluted			
Net earnings (loss)	\$ 19,405	\$ (33,601)	\$ 11,714
Plus:			
After tax interest savings on convertible debentures	806	918	1,093
Net earnings (loss) assuming conversion	\$ 20,211	\$ (32,683)	\$ 12,807

Weighted average shares			
outstanding (000)	22,561	22,408	22,364
Plus shares issuable on:			
Conversion of 6% convertible			
debentures	938		1,080
Exercise of dilutive options	43		205
<hr/>			
Weighted average shares			
outstanding assuming			
conversion (000)	23,542	22,408	23,649
<hr/>			
Earnings (loss)			
per share diluted (1)	\$ .86	\$ (1.50)	\$ .52
<hr/>			

(1) The calculated diluted earnings (loss) per share amounts for 2002 and 2001 are anti dilutive, therefore, amounts shown are equal to the basic earnings (loss) per share calculation.

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Additional potentially diluted average shares outstanding of 1,145,000 from the conversion of the debentures and the exercise of dilutive stock options for the twelve months ended December 31, 2002 have been excluded from the average diluted shares outstanding due to the loss from operations in that year.

#### STOCK PLANS

**EMPLOYEES STOCK PURCHASE PLAN** The Kaman Corporation Employees Stock Purchase Plan allows employees to purchase Class A common stock of the corporation, through payroll deductions, at 85% of the market value of shares at the time of purchase. The plan provides for the grant of rights to employees to purchase a maximum of 1,500,000 shares of Class A common stock. There are no charges or credits to income in connection with the plan. During 2003, 129,787 shares were issued to employees at prices ranging from \$8.02 to \$11.90 per share. During 2002, 115,316 shares were issued to employees at prices ranging from \$8.59 to \$15.33 per share. During 2001, 106,921 shares were issued to employees at prices ranging from \$10.41 to \$15.21 per share. At December 31, 2003, there were approximately 735,500 shares available for offering under the plan.

**STOCK INCENTIVE PLAN** Effective November 1, 2003, the corporation's Board of Directors adopted the 2003 Stock Incentive Plan (the "2003 Plan"). The 2003 Plan is subject to approval by the shareholders entitled to vote thereon at the 2004 annual meeting of shareholders. In general, the 2003 Plan provides for the issuance of 2,000,000 shares of Class A common stock and includes a continuation and extension of the stock incentive program embodied in the 1993 Stock Incentive Plan (the "1993 Plan"), which expired on October 31, 2003. As with the 1993 Plan, the 2003 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 2003 Plan adds a long term incentive award feature under which senior executives specifically designated for participation are given the opportunity to receive award payments in a combination of cash and stock at the end of a three year performance cycle. For the performance cycle, the corporation's financial results are compared to the Russell 2000 indices using the following specific measures: average return on total capital, earnings per share growth and total return to shareholders. Award

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payments under this long term incentive feature are not made unless the corporation's performance is at least in the 50th percentile of the designated indices. In addition, the 2003 Plan contains provisions intended to qualify the plan under Section 162(m) of the Internal Revenue Code of 1986, as amended. At December 31, 2003, there were 2,000,000 shares available for the granting of stock options, subject to approval by the shareholders entitled to vote thereon at the 2004 annual meeting of shareholders.

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

Restricted stock awards were made for 53,500 shares at prices ranging from \$9.90 to \$9.91 per share in 2003, 56,000 shares at prices ranging from \$14.50 to \$17.74 per share in 2002 and 100,000 shares at prices ranging from \$15.63 to \$16.31 per share in 2001. At December 31, 2003, there were 176,200 shares remaining subject to restrictions pursuant to these awards.

Stock appreciation rights were issued for 314,300 shares at \$9.90 per share in 2003, 136,000 shares at \$14.50 per share in 2002 and 205,000 shares at prices ranging from \$16.28 to \$16.31 per share in 2001, to be settled only for cash. The corporation recorded expense for stock appreciation rights of \$585 in 2003, income of \$440 in 2002 and expense of \$575 in 2001 due to fluctuations in the market price of the shares.

#### Notes to Consolidated Financial Statements

December 31, 2003, 2002 and 2001

Kaman Corporation and Subsidiaries

(In thousands except share and per share amounts)

Stock option activity is as follows:

	Options	Weighted- average exercise price
Stock options outstanding:		
Balance at January 1, 2001	1,069,980	12.59
Options granted	335,000	16.27
Options exercised	(89,560)	9.96
Options cancelled	(56,290)	13.57
Balance at December 31, 2001	1,259,130	13.71
Options granted	211,500	14.50
Options exercised	(172,010)	11.60
Options cancelled	(79,820)	14.76
Balance at December 31, 2002	1,218,800	14.08
Options granted	171,500	9.90
Options exercised	(31,310)	9.65

<del>Options cancelled</del>	<del>(83,320)</del>	<del>13.47</del>
<del>Balance at December 31, 2003</del>	<del>1,275,670</del>	<del>13.67</del>
<del>=====</del>		
<del>Weighted average contractual life</del>		
<del>— remaining at December 31, 2003</del>		<del>6.3 years</del>
<del>=====</del>		
<del>Range of exercise prices for options</del>	<del>\$ 9.50</del>	<del>\$ 13.26</del>
<del>— outstanding at December 31, 2003</del>	<del>\$ 13.25</del>	<del>\$ 17.00</del>
<del>=====</del>		
<del>Options outstanding</del>	<del>470,340</del>	<del>805,330</del>
<del>Options exercisable</del>	<del>245,480</del>	<del>434,690</del>
<del>Weighted average contractual</del>		
<del>— remaining life of options</del>		
<del>— outstanding</del>	<del>5.9 years</del>	<del>6.5 years</del>
<del>Weighted average exercise price:</del>		
<del>— Options outstanding</del>	<del>\$ 10.68</del>	<del>\$ 15.41</del>
<del>— Options exercisable</del>	<del>\$ 11.20</del>	<del>\$ 15.51</del>
<del>=====</del>		

~~As of December 31, 2002 and 2001, there were 553,870 and 577,450 options exercisable, respectively.~~

~~Notes to Consolidated Financial Statements  
December 31, 2003, 2002 and 2001  
Kaman Corporation and Subsidiaries  
(In thousands except share and per share amounts)~~

#### ~~SEGMENT INFORMATION~~

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

~~The Aerospace segment produces aircraft structures and components for military and commercial aircraft, including specialized aircraft bearings, manufactures and supports the SH-2G Super Seasprite naval helicopter and the K-MAX medium to heavy lift helicopter, and provides various advanced technology products serving critical specialized markets including missile and bomb fuzing. During the second quarter of 2002, the segment recorded a pre-tax charge of \$85,969 to cover the write down of K-MAX helicopter assets, principally inventories; for cost growth associated with the Australian SH-2G(A) helicopter program; and to phase out operations at the company's Moosup, Connecticut plant by the end of 2003. During 2001, the segment recorded a sales and pre-tax profit adjustment of \$31,181, substantially all of which is associated with a change in estimated cost to complete the SH-2G(A) helicopter program for Australia. As a result of the 2002 and 2001 Australian SH-2G(A) program adjustments, the contract is now in a loss position.~~

~~The Industrial Distribution segment is the nation's third largest distributor of power transmission, motion control, material handling and electrical components and a wide range of bearings. Products and value-added services are offered to a customer base of more than 50,000 companies representing a highly diversified cross section of North American industry.~~

~~The Music segment is the largest independent distributor of musical instruments and accessories, offering more than 15,000 products for amateurs and professionals. Proprietary products include Ovation (registered trademark), Takamine (registered trademark), and Hamer (registered trademark) guitars, Latin Percussion (registered trademark) and Toca (registered trademark) instruments, Gibraltar (registered trademark) percussion hardware and Gretsch (registered trademark) professional drum sets.~~

Notes to Consolidated Financial Statements  
December 31, 2003, 2002 and 2001  
Kaman Corporation and Subsidiaries  
(In thousands except share and per share amounts)

Summarized financial information by business segment is as follows:

	2003	2002	2001
<hr/>			
Net sales:			
— Aerospace	\$ 251,161	\$ 275,942	\$ 301,580
— Industrial Distribution	497,895	477,156	453,718
— Music	145,443	127,678	120,571
	<hr/>	<hr/>	<hr/>
	\$ 894,499	\$ 880,776	\$ 875,869
<hr/>			
Operating profit (loss):			
— Aerospace	\$ 14,848	\$ (55,208)	\$ 6,542
— Industrial Distribution	12,672	12,344	13,217
— Music	9,510	7,157	6,580
	<hr/>	<hr/>	<hr/>
	37,030	(35,707)	26,339
Interest, corporate and other expense, net	(5,200)	(15,219)	(10,675)
	<hr/>	<hr/>	<hr/>
Earnings (loss) before income taxes	\$ 31,830	\$ (50,926)	\$ 15,664
<hr/>			
Identifiable assets:			
— Aerospace	\$ 294,345	\$ 308,275	\$ 302,076
— Industrial Distribution	150,115	144,585	134,974
— Music	65,704	68,448	45,783
— Corporate	18,147	14,232	39,113
	<hr/>	<hr/>	<hr/>
	\$ 528,311	\$ 535,540	\$ 521,946
<hr/>			

Notes to Consolidated Financial Statements  
December 31, 2003, 2002 and 2001  
Kaman Corporation and Subsidiaries  
(In thousands except share and per share amounts)

	2003	2002	2001
<hr/>			
Capital expenditures:			
— Aerospace	\$ 7,321	\$ 5,255	\$ 5,107
— Industrial Distribution	1,070	1,494	1,501
— Music	522	515	1,018
— Corporate	147	337	407
	<hr/>	<hr/>	<hr/>
	\$ 9,060	\$ 7,601	\$ 8,033
<hr/>			
Depreciation and amortization:			
— Aerospace	\$ 6,138	\$ 6,773	\$ 6,175
— Industrial Distribution	1,989	2,457	2,742
— Music	1,143	1,278	1,430

<del>Corporate</del>	<del>749</del>	<del>1,112</del>	<del>1,094</del>
	<del>\$ 10,019</del>	<del>\$ 11,620</del>	<del>\$ 11,441</del>
<del>=====</del>			
	<del>2003</del>	<del>2002</del>	<del>2001</del>
<del>=====</del>			
<del>Geographic information sales:</del>			
<del>United States</del>	<del>\$ 760,444</del>	<del>\$ 758,240</del>	<del>\$ 726,756</del>
<del>Australia/New Zealand</del>	<del>52,453</del>	<del>64,071</del>	<del>100,121</del>
<del>Canada</del>	<del>31,469</del>	<del>28,049</del>	<del>27,162</del>
<del>Europe</del>	<del>27,400</del>	<del>14,933</del>	<del>12,319</del>
<del>Mexico</del>	<del>13,652</del>	<del>8,046</del>	<del>1,484</del>
<del>Japan</del>	<del>4,774</del>	<del>4,492</del>	<del>6,154</del>
<del>Other</del>	<del>4,307</del>	<del>2,945</del>	<del>1,873</del>
	<del>\$ 894,499</del>	<del>\$ 880,776</del>	<del>\$ 875,869</del>
<del>=====</del>			

~~Operating profit is total revenues less cost of sales and selling, general and administrative expense other than general corporate expense. The "Interest, corporate and other expense, net" includes a pre-tax gain of \$17,415 related to the sale of the EDC operation in 2003, \$1,928 related to the sale of the microwave product line in 2002 and a pre-tax gain of \$2,679 related to the sale of two buildings in 2001.~~

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~~Notes to Consolidated Financial Statements  
December 31, 2003, 2002 and 2001  
Kaman Corporation and Subsidiaries  
(In thousands except share and per share amounts)~~

~~Identifiable assets are year-end assets at their respective net carrying value segregated as to segment and corporate use. The reductions in corporate assets in 2002 are principally due to the use of cash and cash equivalents in that year.~~

~~Net sales by the Aerospace segment made under contracts with U.S. Government agencies (including sales to foreign governments through foreign military sales contracts with U.S. Government agencies) account for \$91,618 in 2003, \$102,241 in 2002 and \$81,106 in 2001.~~

~~Sales made by the Aerospace segment under a contract with one customer were \$46,322, \$52,029 and \$76,865 in 2003, 2002 and 2001, respectively.~~



~~REPORT OF INDEPENDENT AUDITORS  
Kaman Corporation and Subsidiaries~~

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

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

~~We have audited the accompanying consolidated balance sheets of Kaman Corporation and subsidiaries as of December 31, 2003 and 2002, 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, 2003. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.~~

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

~~— In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Kaman Corporation and subsidiaries at December 31, 2003 and 2002 and the results of their operations and their cash flows for each of the years in the three year period ended December 31, 2003 in conformity with accounting principles generally accepted in the United States of America.~~

~~/s/ KPMG LLP~~

~~February 6, 2004~~

EXHIBIT 14

_____	KAMAN
_____	CODE OF
_____	BUSINESS CONDUCT
_____	

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STATEMENT OF CHIEF EXECUTIVE OFFICER

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~~Our Company's business ethics philosophy is that all business and financial operations are to be conducted by the Company's officers, directors and employees in a manner that is ethically appropriate and complies with all applicable laws, rules and regulations. The Company's reputation for sound business ethics has been built over more than half a century. During this time the Company's policy has been based on a strong commitment to comply with all applicable legal requirements in its business dealings. The responsibility for continued compliance with the Company's policies and ethical standards rests with each and every officer, director and employee.~~

~~This Code describes the Company's standards of business and financial reporting conduct, however, it cannot cover every possible subject or situation and should not be treated as providing answers to all questions. The standards discussed in this Code are intended to reinforce the importance to the Company of ethical business practices and the Company's requirement that each officer, director and employee use good ethical judgment in the conduct of Company business. Please read it carefully and become familiar with these standards. Through strict adherence to this Code our Company preserves consistency in its decision-making processes and its long-standing reputation for integrity.~~

~~Paul R. Kuhn  
Chairman of the Board,  
President and Chief Executive Officer  
Kaman Corporation~~

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PURPOSE OF THE CODE

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General

~~The purpose of the Kaman Code of Business Conduct (the "Code") is to provide a statement of the policies and procedures of Kaman Corporation, and its subsidiaries (collectively the "Company") for conducting its business activities in a legally and ethically appropriate manner. These policies and procedures are intended to be applied with reasonable business judgment to enable the Company to achieve its operating and financial goals within the framework of the law.~~

~~The fundamental principle of the Code is that all business is to be conducted by the Company and its directors, officers, and employees in a manner which complies with all applicable laws, rules and regulations and comports with the Company's ethical standards.~~

~~It is the policy of the Company to prevent the occurrence of unlawful or unethical behavior and to halt any such behavior that may occur as soon as reasonably possible after its discovery. Every director, officer and employee should recognize that failure to comply with the standards contained in the Code can have severe consequences for both the individuals involved and the Company, including criminal prosecution under certain circumstances.~~

#### Applicability

~~Company Personnel. This Code applies to all of the officers, directors and employees of the Company (collectively "Company Personnel" and individually a "Member of Company Personnel") and all such Company Personnel are required to acknowledge this by signing the Certification Statement appearing at the end of this Code. In business affiliations over which the Company does not have control, representatives of the Company shall use their influence to seek to achieve adherence to the spirit and content of the Code.~~

~~Consultants. Where the Company retains outside consultants or agents to assist with its business operations, such consultants or agents, and their officers and employees, will be expected to comply with the provisions of this Code with respect to their work conducted on behalf of the Company, and the use of Company standard Consulting Agreements referencing this Code should be used in retaining such consultants.~~

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~~The standards of conduct discussed in this Code are the responsibility of every Member of Company Personnel regardless of position. The Company is responsible for ensuring awareness of these standards through effective employee communications, and for providing a working environment supportive of the responsibilities of each Member of Company Personnel. Every manager and supervisor should encourage frank and open discussions regarding the importance of adhering to Company standards of conduct.~~

#### Reservation of Rights.

~~The Company's Code is not intended to confer any special rights or privileges upon specific individuals, provide greater or lesser rights under applicable law or entitle any person to remain employed by the Company. The guidelines and procedures set forth herein should not be interpreted as altering the at will employment relationship between the Company and its employees and do not constitute an employment contract. This Code is not a contract, and the Company reserves the right to change, modify, suspend, interpret or eliminate any provision in this Code, retroactively or prospectively, at any time, with or without notice.~~

#### IMPLEMENTATION OF THE CODE

##### Company Compliance Officers

~~In order to implement this Code, senior and management level personnel have been designated as Company Compliance Officers throughout the Company.~~

~~The Company Compliance Officers' responsibilities include:~~

- ~~Ensuring that the Code is distributed and that recipients acknowledge their understanding and compliance with it as a condition of employment.~~
- ~~Ensuring that training programs on the Code are conducted.~~
- ~~Ensuring that the Company's operations are reasonably monitored for compliance with the Code.~~

~~Ensuring that instances of possible Code violations are properly investigated and, where violations are confirmed, that necessary remedial actions are taken to prevent their recurrence.~~

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~~Reporting to the Chief Compliance Officer (located in the Company's Corporate Legal Department) and Internal Audit Department on all matters involving compliance with the Code.~~

~~The designation of Company Compliance Officers within the Company in no way diminishes every supervisor's responsibility to take reasonable steps to assure that those employees for whom he or she has responsibility comply with the Code. For a list of Company Compliance Officers at your subsidiary, please call your Human Resources Representative.~~

#### ~~Reporting of Violations~~

~~Any Member of Company Personnel who believes a violation of the Code has occurred, or may occur, should report that to his/her supervisor for appropriate corrective action as may be required. As appropriate, the supervisor will involve the Company Compliance Officer and/or the Company's Corporate Legal Department and the Company's Internal Audit Department. In the alternative, or if the matter is not resolved promptly, any Member of Company Personnel may report such violation or suspected violation immediately as follows:~~

~~on the Company's 800 "hotline" (1 866 450 3663 (nationwide) and 860 243 7900 (local within Connecticut)), or~~

~~to your Company Compliance Officer using the Fact Sheet attached at the end of this Code, or~~

~~to the Company's Corporate Legal Department or the Company's Internal Audit Department~~

~~When there is a doubt as to the lawfulness of any past or proposed activity, or whether a Code violation may have occurred, it is the Company's policy for Company Personnel first to direct their concerns to their supervisor, their Company Compliance Officer or the Corporate Legal Department before involving an outside entity. By doing this, the Company will have the opportunity to investigate and, if necessary, correct the situation without having to involve a governmental or other outside organization in cases where it may be unnecessary to do so.~~

~~All reported violations of the Code will be treated confidentially to the extent reasonable and possible under the circumstances and it will be the Company Compliance Officer's responsibility to coordinate investigation of suspected Code violations in coordination with the Corporate Legal Department and Internal Audit~~

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~~Department. It is important that Company Personnel do not conduct their own preliminary investigations, since that could adversely affect the Company's ability to make a clear determination of the facts.~~

~~Company Compliance Officers will keep all persons who submit Fact Sheets informed of the status of an investigation, to the extent deemed appropriate. Reporting persons who wish to follow up on the result of an investigation should feel free to contact their Company Compliance Officer or the Corporate Legal Department.~~

#### ~~The Audit Committee~~

~~The Audit Committee of Kaman Corporation's Board of Directors monitors the Company's compliance program and the reporting of compliance concerns or alleged violations of the Code. This includes the monitoring of confidential or anonymous submissions of concerns regarding questionable accounting, internal controls or auditing matters through periodic management reports. If any Company Personnel wishes to raise a question or concern or report a possible violation of such matters to the Audit Committee, such matters may be submitted in the manner described above in the section entitled "Reporting of Violations". Upon verification, your concern will be promptly communicated to the Audit Committee of the Board.~~

#### Disciplinary Actions

~~It is important that the Company and all Company Personnel conduct themselves to the best of their ability in accordance with the Company's standards of business ethics and conduct as set forth in this Code. The following actions by any Company Personnel will result in disciplinary measures being taken by the Company:~~

~~— Violation of the Code.~~

~~— Knowingly authorizing or participating in actions which are in violation of the Code.~~

~~— Failing to report a violation of the Code or withholding relevant and material information concerning such a violation of which any Member of Company Personnel becomes aware.~~

~~— Retaliating, directly or indirectly, or encouraging others to do so, against an individual who reports a violation of the Code.~~

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~~— Reporting information which is known or suspected by the reporting person to be untrue.~~

~~Disciplinary action may include any one or more of the following, not necessarily in the order shown:~~

~~— A warning.~~

~~— A written reprimand (to be noted in individual's personnel record).~~

~~— Probation.~~

~~— Temporary suspension.~~

~~— Discharge.~~

~~— Required reimbursement of losses or damages.~~

~~— Referral for criminal prosecution or civil action.~~

~~Disciplinary action will be taken against:~~

~~— Company Personnel who willfully violate the standards described in this Code.~~

~~— Any Member of Company Personnel who deliberately withholds relevant information concerning a violation of this Code.~~

~~— Any manager or supervisor of a violator, to the extent that the circumstances of the violation occurred with the knowledge or acquiescence of the supervisor.~~

~~— Any supervisor or Company Personnel who retaliates (or encourages others to do so) against any person who reports a violation of the Code.~~

Waivers of the Code

~~Any waiver of this Code for executive officers or directors may be made only by the Board of Directors and will be promptly disclosed if, and as required by law, or stock exchange regulation.~~

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#### ~~Questions Regarding the Code~~

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~~The Company is committed to provide timely and specific guidance concerning interpretation of the Code or guidance with respect to any ethical question which Company Personnel may encounter. As further discussed below, all Company Personnel are encouraged to seek advice from their Company Compliance Officer and/or the Corporate Legal Department on these matters.~~

#### ~~COMPLIANCE WITH APPLICABLE LAWS AND POLICIES~~

---

##### ~~In General~~

---

~~The activities of the Company, and all Company Personnel should always be in full compliance with applicable laws, rules and regulations. In the case of non-employee consultants or agents, it is the responsibility of the Company Compliance Officer to make sure that such persons are aware of the Code and agree to conduct themselves in accordance with its provisions. Described below are certain laws and regulations particularly important to the Company's business.~~

##### ~~False Statements and Schemes to Defraud~~

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~~In the day to day affairs of the Company it may be customary for Company Personnel to sign a multitude of documents, some of which require sworn statements. It is a violation of Company policy, and a criminal offense punishable by fines and imprisonment, for employees to knowingly make false statements under oath regarding matters within the jurisdiction of the federal government or a state government. In addition, conduct in which any Member of Company Personnel engages in any scheme or artifice to defraud anyone, or cause the mail or wire services to be used in furtherance of such conduct, is in violation of this Code and the law, and can result in severe legal penalties. Any questions regarding these matters should be directed to the Corporate Legal Department.~~

##### ~~Accounting and Record Keeping~~

---

~~The law requires that the Company properly keep books, records and accounts which reflect accurately and fairly and within the~~

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~~Company's normal system of accountability, all transactions of the Company, and all other events that are the subject of specific regulatory record keeping requirements.~~

~~It is the policy of the Company that all transactions be recorded as necessary or appropriate in the regular books of the Company to permit the preparation of financial statements in conformity with Generally Accepted Accounting Principles and other applicable~~



~~rules, regulations and criteria and to ensure full accountability for all assets and activities of the Company. Under no circumstances will the Company approve the establishment of (i) any unrecorded fund or asset of the Company, regardless of the purposes for which such fund or asset may have been intended, (ii) any improper or inaccurate entry knowingly made in the books and records of the Company, (iii) any payment on behalf of the Company made with the intention, understanding or awareness that any part of such payment is to be used for any purpose other than that described by the documents supporting the payments, or (iv) any payment or transaction not made for a proper, lawful and authorized Company purpose.~~

~~If you have any question regarding compliance of the Company's books and records with the foregoing requirements, please contact the Company Compliance Officer or the Corporate Legal Department.~~

#### Conduct of Audits

~~No action should be taken by any Company Personnel to fraudulently influence, coerce, manipulate, or mislead (i) any independent public or certified accountant engaged in the performance of an audit of the financial statements of the Company, or (ii) any member of the Company's Internal Audit Department engaged in the performance of an internal audit or investigation. All Company Personnel are expected to cooperate in any audit or investigation being conducted by the Company's internal or independent auditors in coordination with the Company's Corporate Legal Department.~~

#### Cooperation with Investigations and Law Enforcement

~~It is the Company's policy to cooperate, in an organized manner through the Corporate Legal Department, with all proper: (i) government investigators and law enforcement officials, (ii) investigations by non governmental regulators with oversight of the Company's business (such as securities exchanges), and (iii) internal Company investigations. All inquiries or requests or demands for information from external or internal investigators should be immediately referred to the Corporate Legal Department.~~

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~~The Corporate Legal Department will coordinate all responses to external or internal investigators' questions. Failure to cooperate with legitimate investigations in this manner will result in disciplinary action, up to and including termination.~~

#### Environmental Compliance

~~The Company intends to conduct its business in compliance with applicable federal, state and local laws and regulations relating to the protection of the environment and it is the responsibility of all Company Personnel to carry out this obligation.~~

~~Environmental violations, even if totally unintentional, carry severe penalties and could result in criminal prosecution of both the Company Personnel involved and the Company. The Company believes that environmental compliance today will help the Company avoid problems and liabilities in the future.~~

~~The complexity of environmental laws and their impact is significant and the Kaman Environmental Compliance Guide has been prepared to outline these laws and their requirements. For detailed information on compliance with environmental laws, reference the Kaman Environmental Compliance Guide or contact the Corporate Legal Department. Please contact your Company Compliance Officer or the Corporate Legal Department for a copy of this brochure.~~

#### Competition and Antitrust Laws

~~The existence of competition is vital to the free enterprise system and the Company believes in total compliance with federal~~

~~and state antitrust laws by all Company Personnel at every level of our business. These laws have been created to promote competition by restricting a wide range of anti competitive transactions and practices and bear on many aspects of relations with competitors and customers. Although such laws are complicated, ignorance of what constitutes an antitrust violation is not a defense to prosecution. Company pricing and related procedures, and relationships with competitors and customers are particularly sensitive areas.~~

~~The complexity of the antitrust laws and their impact is significant and the Kaman Antitrust Compliance Guide has been prepared to outline these laws and their requirements. For more detailed information on compliance with antitrust laws reference the Kaman Antitrust Compliance Guide or contact the Corporate Legal Department. Please contact your Company Compliance Officer or the Corporate Legal Department for a copy of this brochure.~~

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## ~~Labor and Employment Laws~~

~~The Company's policy is that all Company Personnel shall comply with applicable federal, state and local laws concerning labor and employment.~~

~~The Company is bound by these laws and has established comprehensive programs, including equal employment opportunity procedures, safety and health programs and wage and hour procedures to ensure compliance with legal requirements. The following is a discussion of general labor and employment laws and the Company's policies with respect to such laws.~~

~~Equal Employment Opportunity. The Company is dedicated to the goal of providing equal employment opportunity for all persons without regard to any legally impermissible classification including, but not limited to, race, color, religion, sex, national origin, citizenship, age, sexual orientation, disability, or veteran status.~~

~~The Company requires all Company Personnel to refrain from any act which is designed to, or causes, unlawful employment discrimination in any aspect of a person's employment including decisions concerning hiring, placement, transfer, demotion, promotion, recruitment, training, advertising, compensation, termination or use of employee benefits or facilities.~~

~~Americans with Disabilities. The Company requires that Company Personnel not discriminate against any individual with a disability who is qualified to perform the essential functions of his/her job with or without reasonable accommodation. The Company requires that such discrimination not occur in the hiring process or in regard to any term, condition or privilege of employment, and the Company requires that reasonable accommodations be made for such individual unless such accommodations result in undue hardship for the Company, as defined by law.~~

~~Sexual and Other Harassment. The Company strongly supports the right of Company Personnel to work in an environment that is free from all forms of discrimination, including what has been called "sexual harassment", and discriminatory or retaliatory treatment based on race, color, sex (with or without sexual conduct), religion, national origin, age, disability, or any other legally impermissible classification, or because the Member of Company Personnel asserts rights under, or participates in an investigation or complaint proceeding under, any equal opportunity or~~

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~~affirmative action laws or regulations. Sexual harassment may include unwelcome sexual advances, requests for sexual~~

~~— favors, and any other verbal or physical conduct of a sexual nature that has the effect of unreasonably interfering with an employee's work performance or which creates an intimidating, hostile or offensive work environment. All Company Personnel should refrain from engaging in any conduct which gives rise to such an environment.~~

~~— Safety and Health. The Company is committed to providing a workplace that is free of recognized hazards and meets all current legal requirements. Company Personnel are required to comply with all applicable federal, state and local health and safety laws and are required to report any unsafe conditions, hazards, broken equipment or machinery or work-related accidents to their supervisor or to the Company Compliance Officer. Supervisors are responsible for ensuring that their staffs attend training sessions and periodic meetings concerning safe work practices and accident prevention when such meetings are scheduled. Each Member of Company Personnel has the responsibility to prevent accidents by following safe work procedures and practices and using all personal protective equipment provided by the Company.~~

~~— Substance and Alcohol Abuse. The use, sale, purchase, or possession of any controlled substance (except for proper use of medically prescribed drugs) by any Company Personnel or other person engaged in Company business or while on Company grounds is prohibited. Additionally, the use, sale, purchase or possession of alcohol on Company grounds is prohibited. Being under the influence of alcohol or any controlled substance (except medically prescribed drugs) while on Company grounds or performing Company business is also prohibited.~~

~~Please contact your Company Compliance Officer or the Corporate Legal Department if you have questions concerning your rights under or your responsibilities in complying with labor and employment law policies and procedures.~~

#### ~~Federal, State and Local Governments Contracts~~

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~~As a supplier of products and services to the United States Government, as well as to state and local governments, the Company recognizes that there are numerous laws, regulations and contractual requirements which must govern its relations with the Government as a customer. These include the requirement to accurately and truthfully report to the best of the Company's knowledge and belief all required information which may include~~

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~~expenses, cost and pricing data, quality inspection, specification compliance and subcontractor or supplier cost and pricing data, and to deal with suppliers and subcontractors in a fair and reasonable manner consistent with all laws and with good business practices. In addition, the Company and all Company Personnel are required to follow rules and regulations which govern the handling of classified information. Each Member of Company Personnel in each segment of the Company having a government customer or customers shall comply with the Company's policies and procedures specifically addressing government contracting issues.~~

~~Please contact the Corporate Legal Department if you have questions concerning the government contracting laws applicable to the Company.~~

#### ~~Improper Payments~~

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~~In connection with commercial business activities, Company Personnel may provide or accept entertainment, meals, gifts of a nominal value, and other business courtesies so long as they are documented in accordance with Company policy, arise out of the lawful and normal course of business, and are reasonable and in accordance with lawful and appropriate business customs.~~

~~It is the Company's policy, however, to specifically prohibit Company Personnel from offering, giving, soliciting or receiving~~

~~any form of bribe or kickback from anyone. In particular, the offer or provision of any bribe or gratuity to a federal, state or local government official is prohibited whether or not the offer or gift is given for the specific purpose of influencing a governmental act and whether or not personal funds or resources are used. In addition, the law prohibits the use of Company funds to provide anything of value to a foreign official to induce that official to affect any governmental act or decision in a manner that will benefit the Company (except for certain "facilitating" payments, such as tipping a stevedore or harbor master, made to expedite the performance of routine government actions).~~

~~In addition the Company will not provide or guarantee loans to any Company directors or executive officers that are prohibited by federal law.~~

#### Political Contributions

~~The Company's policy is that all Company Personnel shall comply with political campaign finance and ethics laws. Federal law and Company policy prohibit the use of Company assets on behalf of a~~

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~~federal political party or candidate. Additional laws in this area apply specifically to Company segments doing business with the U.S. Department of Defense.~~

~~As authorized by the Federal Election Campaign Act, the Company has established Political Action Committees ("PACs") which may lawfully make contributions to candidates for public office. By law, the Company is prohibited from compensating or reimbursing Company Personnel for political contributions. All solicitations of Company Personnel for political contributions to Company PACs must communicate that such contributions are voluntary; no one will be prejudiced as a result of a decision not to contribute; and such contributions are not tax deductible. The Company's policy is not intended to discourage or prohibit Company Personnel from voluntarily making personal political contributions; from participating in the political process on their own time and at their own expense; from expressing their personal views on legislative or political matters; or from otherwise engaging in political activities provided such activities do not create the appearance of Company activity.~~

#### Securities Laws

~~The Company has a commitment to comply with the federal and state securities laws and regulations which include the rules on so called "insider" information. In the course of business operations, Company Personnel or others may become aware of material nonpublic information relating to business matters. Under securities laws any person who is aware of material nonpublic information is prohibited from trading in the Company's securities on the basis of such information. In addition, under Company policy, all Company Personnel (including other persons who are closely related to a Member of Company Personnel) are prohibited from trading in the Company's securities on the basis of such material nonpublic information. Any questions should be directed to any of the Company's Compliance Officers or to the Company's Corporate Legal Department. If any Member of Company Personnel becomes aware of material nonpublic information relating to the Company's business or relating to firms with which the Company is negotiating or competing, the law prevents such person from buying or selling shares or other securities of the Company or such firms or disclosing such information except to the extent permitted by applicable law until such information has been disclosed to the public and the market has had an adequate opportunity to absorb the information.~~

~~Please contact the Company's Corporate Legal Department if you have questions concerning the "insider" information rules or other provisions of the securities laws.~~

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## Public Disclosures

~~The Company's principal executive, financial and accounting officers are responsible for the full, fair, accurate, timely, and understandable disclosure of all information required by applicable law to be so disclosed in reports and documents filed with, or submitted to, the Securities and Exchange Commission and other regulators, and in other public communications made by the Company.~~

## Protection of Company Assets

~~The protection, safeguarding and proper and efficient use of Company property and any customer or supplier property entrusted to the Company (collectively, "Company property") is an important responsibility of all Company Personnel. Care should be taken to ensure that Company property is not misappropriated, loaned to others, or sold or donated, without appropriate authorization. Any suspected incident of fraud or unauthorized conveyance of Company property should be immediately reported for investigation in accordance with the Company's procedures. Company property, facilities and equipment are intended to be used for the conduct of the Company's business and any exceptions should be in accordance with Company policy. Each employee should consult his or her supervisor for appropriate guidance and permission in this regard. Any question should be directed to the Company Compliance Officer or the Company's Corporate Legal Department.~~

## Information Systems

~~The Company provides computing, network and other electronic communication resources ("Information Systems") to its Company Personnel because it recognizes the technology as a valuable business tool that enables individuals to communicate with greater efficiency, which further increases productivity.~~

~~The use of such resources is a privilege, not a right. This privilege is embodied in the responsible use of these resources. The Company expects each person utilizing such resources to conduct himself or herself in a lawful, ethical and productive manner in accordance with Company policy and primarily for business related purposes. The Company will not tolerate the use of such resources for the purpose of distributing potentially offensive or inappropriate materials. Individuals, including Company Personnel, utilizing any Company Information Systems should have no expectation of privacy in connection with the use of the Company's Information Systems. The contents of any~~

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~~message, document, or other matters sent through any Company Information System may be monitored by Company management, by law enforcement agencies or by others as the Company deems appropriate. The Company's policy on use of the Company's Information Systems appears periodically on the Company's Information Systems network, and notices regarding its terms appears in other Company media and is available from the Human Resources Department of each of the Company's segments.~~

## Document Retention

~~The Company is required by law to maintain certain types of corporate records, usually for a specified period of time and each subsidiary is responsible for maintaining a records retention policy.~~

~~As a general matter, certain accounting, payroll and tax records and various legal contracts are to be maintained for a period of seven (7) years following their expiration; however, this period is subject to many exceptions, such as for records relating to tax~~

~~filings, insurance policies, Department of Defense contracts and audits and certain personnel records. Failure to retain such documents for the required minimum period of time in each case could subject the Company to penalties and fines, cause loss of rights or place the Company at a serious disadvantage in litigation. Therefore, it is the Company's policy to retain corporate records and documents as are essential to the conduct of the Company's business activities for the legally required time periods and in accordance with each subsidiary's policy.~~

~~General correspondence and other documents which are not legally significant or essential to a particular business transaction are to be retained only for so long as necessary, and then are to be discarded regularly on an ongoing basis. However, in the case of litigation or a significant event likely to lead to litigation, such as the involvement of one of the Company's products in an accident or a situation involving property damage or bodily injury, all regular destruction activity should be suspended and all documents pertinent to such action should be preserved until the matter is resolved. If you have any questions concerning specific document retention policies related to your company's policy or business activities, contact the Corporate Legal Department for further guidance.~~

#### ~~Privacy and Data Protection Laws~~

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~~The Company's policy is to acquire, retain and disclose only such information related to its Company Personnel and customers as is~~

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~~permitted in accordance with applicable law in the jurisdictions in which the Company operates. It is the Company's policy to comply with all applicable U.S. federal, state and local privacy laws and regulations, and with all valid subpoenas or court orders.~~

~~In addition to the United States, many other countries have privacy and/or data protection laws, regulations or treaties establishing certain legal requirements applicable to the protection of personal data and information. To the extent the Company is subject to the laws of other countries, the Company is committed to compliance with such laws in handling its own and its customers' information.~~

#### ~~Communications with the Media and the Public~~

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~~The Company is committed to making timely, complete and accurate public or regulatory disclosures as required by applicable law to maintain integrity in its relationships with the public. In general, requests for financial or business information about the Company or requests for interviews relating to the Company or its affairs, or the issuance of any press releases should be referred to the office of the Chief Investment Officer for review and approval in advance. To the extent such requests relate to legal proceedings or legal issues or are requests which emanate from governmental agencies or attorneys for private parties, such requests should be referred to the Corporate Legal Department. It is important that Company Personnel not respond to any such inquiry or contact on their own because any inappropriate or inaccurate response, even a denial or disclaimer of information, may result in adverse publicity and could otherwise seriously affect the Company's legal or business position. Other public communications by Company Personnel in their capacity as Company representatives, such as articles for professional publications or speeches at professional gatherings or trade forums, should comply with Company procedures. In all other cases, Company Personnel should be aware that their statements and actions can reflect on the Company and may be interpreted as statements of the Company depending upon the circumstances. While the Company recognizes the right to freedom of individual expression, Company Personnel should not exercise this right in a manner which would imply that such expression is that of the Company, unless prior authorization has been granted by the Company.~~

~~Lobbying~~

~~Company Personnel whose work requires lobbying communications with any member or employee of a legislative body or with any~~

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~~government official or employee in the formulation of legislation should coordinate such activity with the Corporate Legal Department. "Lobbying" can include a variety of activities and may subject the Company to certain reporting requirements. Any questions should be directed to the Corporate Legal Department.~~

~~Copyrighted Material/Computer Software~~

~~It is against Company policy for any Company Personnel to copy, scan, digitize, broadcast or use third party copyrighted material, or third party computer software when conducting Company business, or preparing Company products or promotional materials, unless written permission from the copyright holder or a license from the computer software owner has been obtained prior to the proposed use. Improper use could subject both the Company and the individuals involved to legal liability for copyright infringement. Any questions should be directed to the Company's Corporate Legal Department.~~

#### ~~CONFLICTS OF INTEREST~~

##### ~~In General~~

~~In addition to compliance with applicable law, Company Personnel are expected to act in an ethical manner and to avoid any activity that may interfere, or have the appearance of interfering with the independent exercise of their judgment in the best interests of the Company.~~

~~This policy is broader than mere observance of a rule, however. It includes a standard of loyalty and responsibility on the part of all Company Personnel to recognize their respective positions in the Company and to recognize how individual actions and interests can reflect upon both the individual and the Company.~~

~~This policy is implemented by a continuing requirement of disclosure by all Company Personnel of any circumstances which might be inconsistent with the Company's policy. The continuing requirement of disclosure in no way represents an intention on the part of the Company to police or restrict the activities of Company Personnel. It is merely recognition of the proposition that very few substantial questions of conflicts of interest can exist where there is full knowledge of the facts by all parties.~~

~~In accordance with this policy, the Company requires that all business transactions should be at arm's length, negotiated in good faith and based on merit alone. Although it is impractical~~

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~~to list all those circumstances which might raise ethical or conflict of interest questions, as a minimum examples of conflicts of interest include the following: conducting Company business with relatives; holding a material interest in or acting as an official of another enterprise which is a Company supplier, contractor, customer, consultant, competitor, merger target or acquisition target; benefiting unfairly (or enabling a relative to benefit unfairly) from the use or disposition of Company property or the conduct of Company business; and taking advantage of inside information which is not otherwise available to the general public for any manner of personal gain.~~

~~In addition, since individuals interests tend to be identified with those of their immediate family members, all Company Personnel should be aware that actions of their family members may~~

~~have the appearance of being attributable to them.~~

## ~~Duty to Report Conflicts of Interest~~

~~All Company Personnel have a responsibility and a duty of loyalty to the Company, and all business decisions should be made in the best interests of the Company. This means putting the Company's interests first. A conflict of interest is created when a Member of Company Personnel places self interest (or the interests of others) ahead of the Company's interests.~~

~~All Company Personnel are encouraged to review their personal and employment situations and are required to take the following steps in any situation which might involve a potential conflict of interest or the appearance of such a conflict:~~

- ~~1. Report the situation in writing to your supervisor;~~
- ~~2. Obtain written approval from your supervisor for the situation — or (if the situation is not approved) written direction for — resolving the conflict of interest which might be posed.~~

~~All supervisors are required to maintain reasonable ongoing oversight after a potential conflict of interest (or the appearance thereof) has been reported in order to ensure that the direction provided by the supervisor with respect to the matter has been followed. Any questions should be referred to the Company Compliance Officer. Because certain situations may involve difficult questions of judgment, all situations which raise any question of a conflict of interest or a violation of ethical standards should be discussed with the employee's supervisor or, if the conflict cannot be resolved or eliminated, with the Company Compliance Officer.~~

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## ~~FACT SHEET~~

~~You may report your concerns on the Company's Hot Line (866) 450-3663 (nationwide) and 860-243-7900 (local within Connecticut)~~

~~OR~~

~~RETURN THIS completed document to: your Compliance Officer or~~

~~\_\_\_\_\_ Chief Compliance Officer  
\_\_\_\_\_ Legal Department  
\_\_\_\_\_ Kaman Corporation  
\_\_\_\_\_ P. O. Box 1  
\_\_\_\_\_ Bloomfield, CT 06002  
\_\_\_\_\_ "Personal and Confidential"~~

- ~~1. Name of person filing this report (optional):~~
- ~~2. Date:~~
- ~~3. Facts: Please describe, as completely as possible, your knowledge of the facts (including, where appropriate, dates and times) relating to a violation or possible violation of the Kaman Code of Business Conduct. (Use a separate sheet and attach if more space is needed.)~~
- ~~4. Signature: I declare that all of the statements made in this Fact Sheet are true to my best knowledge and belief. I understand that disciplinary actions may result if it is determined that the statements contained herein are false or made for a purpose other than to describe my knowledge of the facts relating to the particular violation or suspected violation set forth above.~~



\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Signature (optional)  
(Please print your name below) (optional)  
\_\_\_\_\_

~~Note: For various legal reasons, please DO NOT conduct your own preliminary investigations since acting on your own may adversely affect both you and Kaman.~~

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\_\_\_\_\_  
CERTIFICATION STATEMENT

To: ~~Compliance Officer~~

From: ~~Company Personnel~~

~~This is to certify and acknowledge that I have received, read and understand the Kaman Code of Business Conduct (the "Code"). I agree to comply fully with the standards contained in the Code and any related policies and procedures adopted by the Company, and understand that compliance with such standards, policies and procedures is a condition of my continued employment or association with the Company.~~

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Signature  
(Please print your name below)  
\_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_

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EXHIBIT 21

KAMAN CORPORATION

SUBSIDIARIES

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

Name	State of Incorporation
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Registrant: KAMAN CORPORATION	Connecticut
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Subsidiaries:

Kaman Aerospace Group, Inc.	Connecticut
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Kaman Aerospace Corporation	Delaware
K MAX Corporation	Connecticut
Kaman Aerospace International Corporation	Connecticut
Kaman X Corporation	Connecticut
Kamaties Corporation	Connecticut
Kaman PlasticFab Group, Inc.	Delaware

<del>Plastic Fabricating Company, Inc.</del>	<del>Delaware</del>
<del>Kaman Dayron, Inc.</del>	<del>Florida</del>
<del>RWC Frankenjura Industrie</del>	
<del>Flugwerklager GmbH</del>	<del>Germany</del>
<del>Kaman Industrial Technologies Corporation</del>	<del>Connecticut</del>
<del>Kaman Industrial Technologies, Ltd.</del>	<del>Canada</del>
<del>Delamac de Mexico, S.A. de C.V. (60%)</del>	<del>Mexico</del>
<del>Kaman Music Corporation</del>	<del>Connecticut</del>
<del>KMI Europe, Inc.</del>	<del>Delaware</del>
<del>B &amp; J Music Ltd.</del>	<del>Canada</del>
<del>Latin Percussion, Inc. (merged into</del>	
<del>Kaman Music Corporation effective</del>	
<del>December 31, 2003)</del>	<del>New Jersey</del>
<del>Genz Benz Enclosures, Inc.</del>	<del>Arizona</del>
<del>Kaman Foreign Sales Corporation</del>	<del>Barbados</del>

~~January 8, 2004~~

~~EXHIBIT 23~~

~~\_\_\_\_\_~~ ~~CONSENT OF INDEPENDENT AUDITORS~~

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

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

~~We consent to incorporation by reference in the Registration Statements (Nos. 33-51483 and 33-51485) on Form S-8 of Kaman Corporation of our reports dated February 6, 2004, relating to the consolidated balance sheets of Kaman Corporation and subsidiaries as of December 31, 2003 and 2002 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, 2003, and the related schedule, which reports appear or are incorporated by reference in the December 31, 2003 annual report on Form 10-K of Kaman Corporation.~~

~~/s/ KPMG LLP~~

~~Hartford, Connecticut~~  
~~March 4, 2004~~

~~EXHIBIT 24~~

~~POWER OF ATTORNEY~~

~~KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned does hereby appoint and constitute Paul R. Kuhn and Robert M. Garneau and each of them as his or her agent and attorney in fact to execute in his or her name, place and stead (whether on behalf of the undersigned individually or as an officer or director of Kaman Corporation or otherwise) the Annual Report on Form 10-K of Kaman Corporation respecting its fiscal year ended December 31, 2003 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 17 day of February, 2004.~~

~~Brian E. Barents Eileen S. Kraus  
E. Reeves Callaway, III Paul R. Kuhn~~

<del>John A. DiBiaggio</del>	<del>Walter H. Monteith, Jr.</del>
<del>Edwin A. Huston</del>	<del>Wanda L. Rogers</del>
<del>C. William Kaman, II</del>	<del>Richard J. Swift</del>

~~Exhibit 31.1~~

~~\_\_\_\_\_ Certification Pursuant to Rule  
\_\_\_\_\_ 13a-14 under the Securities and  
\_\_\_\_\_ Exchange Act of 1934~~

~~I, Paul R. Kuhn, certify that:~~

~~\_\_\_\_\_ 1. I have reviewed this annual report on Form 10-K of Kaman  
Corporation;~~

~~\_\_\_\_\_ 2. Based on my knowledge, this report does not contain any  
untrue statement of a material fact or omit to state a material  
fact necessary to make the statements made, in light of the  
circumstances under which such statements were made, not  
misleading with respect to the period covered by this report;~~

~~\_\_\_\_\_ 3. Based on my knowledge, the financial statements, and  
other financial information included in this report, fairly  
present in all material respects the financial condition, results  
of operations and cash flows of the registrant as of, and for, the  
periods presented in this report;~~

~~\_\_\_\_\_ 4. The registrant's other certifying officers and I are~~



~~responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the registrant and have:~~

~~\_\_\_\_\_ (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;~~

~~\_\_\_\_\_ (b) Intentionally omitted pursuant to the guidance contained in SEC Release 33-8238.~~

~~\_\_\_\_\_ (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and~~

~~\_\_\_\_\_ (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual~~

~~\_\_\_\_\_ Page 1 of 2 Pages~~

~~Exhibit 31.1 (continued)~~

~~report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and~~

~~\_\_\_\_\_ 5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):~~

~~\_\_\_\_\_ (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and~~

~~\_\_\_\_\_ (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.~~

~~Date: March 5, 2004 \_\_\_\_\_ By: /s/ Paul R. Kuhn~~

~~\_\_\_\_\_ Paul R. Kuhn  
\_\_\_\_\_ Chairman, President and  
\_\_\_\_\_ Chief Executive Officer~~



~~Exhibit 31.2~~

~~\_\_\_\_\_ Certification Pursuant to Rule  
\_\_\_\_\_ 13a-14 under the Securities and  
\_\_\_\_\_ Exchange Act of 1934~~

~~I, Robert M. Garneau, certify that:~~

~~\_\_\_\_\_ 1. I have reviewed this annual report on Form 10-K of Kaman  
Corporation;~~

~~\_\_\_\_\_ 2. Based on my knowledge, this report does not contain any  
untrue statement of a material fact or omit to state a material  
fact necessary to make the statements made, in light of the  
circumstances under which such statements were made, not  
misleading with respect to the period covered by this report;~~

~~\_\_\_\_\_ 3. Based on my knowledge, the financial statements, and other  
financial information included in this report, fairly present in  
all material respects the financial condition, results of  
operations and cash flows of the registrant as of, and for, the  
periods presented in this report;~~

~~\_\_\_\_\_ 4. The registrant's other certifying officers and I are~~

~~responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the registrant and have:~~

~~\_\_\_\_\_ (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;~~

~~\_\_\_\_\_ (b) Intentionally omitted pursuant to the guidance contained in SEC Release 33-8238.~~

~~\_\_\_\_\_ (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report, based on such evaluation; and~~

~~\_\_\_\_\_ (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual~~

~~\_\_\_\_\_ Page 1 of 2 Pages~~

~~Exhibit 31.2 (continued)~~

~~report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and~~

~~\_\_\_\_\_ 5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):~~

~~\_\_\_\_\_ (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and~~

~~\_\_\_\_\_ (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.~~

~~Date: March 5, 2004 \_\_\_\_\_ By: /s/ Robert M. Garneau~~

~~\_\_\_\_\_ Robert M. Garneau  
\_\_\_\_\_ Executive Vice President and  
\_\_\_\_\_ Chief Financial Officer~~



~~Exhibit 32.1~~

~~\_\_\_\_\_ Certification Pursuant to  
\_\_\_\_\_ 18 U.S.C. Section 1350,  
\_\_\_\_\_ As Adopted Pursuant to  
\_\_\_\_\_ Section 906 of the Sarbanes Oxley Act of 2002~~

~~In connection with the Annual Report of Kaman Corporation (the "Corporation") on Form 10-K for the fiscal year ended December 31, 2003, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul R. Kuhn, Chairman, President and Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002, that to the best of my knowledge:~~

- ~~1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and~~
- ~~2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.~~

By: ~~/s/ Paul R. Kuhn~~

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~~Paul R. Kuhn  
Chairman, President and  
Chief Executive Officer  
March 5, 2004~~

~~Exhibit 32.2~~

~~\_\_\_\_\_ Certification Pursuant to  
\_\_\_\_\_ 18 U.S.C. Section 1350,  
\_\_\_\_\_ As Adopted Pursuant to  
\_\_\_\_\_ Section 906 of the Sarbanes Oxley Act of 2002~~

~~In connection with the Annual Report of Kaman Corporation  
(the "Corporation") on Form 10-K for the fiscal year ended  
December 31, 2003, as filed with the Securities and Exchange  
Commission on the date hereof (the "Report"), I, Robert M.  
Garneau, Chief Financial Officer of the Corporation, certify,  
pursuant to 18 U.S.C. Section 1350, as adopted pursuant to  
Section 906 of the Sarbanes Oxley Act of 2002, that to the best  
of my knowledge:~~

- ~~1) The Report fully complies with the requirements of Section  
13(a) or 15(d) of the Securities Exchange Act of 1934, and~~
- ~~2) The information contained in the Report fairly presents, in  
all material respects, the financial condition and results of  
operations of the Corporation.~~



By: ~~/s/ Robert M. Garneau~~

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~~Robert M. Garneau  
Executive Vice President  
and Chief Financial Officer  
March 5, 2004~~