

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, 1995

OR

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

For the transition period from to

Commission File No. 0-1093

KAMAN CORPORATION

(Exact Name of Registrant)

Connecticut

06-0613548

(State of Incorporation)

(I.R.S. Employer Identification No.)

Blue Hills Avenue, Bloomfield, Connecticut 06002

(Address of principal executive offices)

Registrant's telephone number, including area code-(860) 243-7100

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

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

-Class A Common Stock, Par Value \$1.00

-6% Convertible Subordinated Debentures Due 2012

-Series 2 Preferred Stock, Par Value \$1.00

-Depositary Shares, each representing one quarter of a
share of Series 2 Preferred Stock

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

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

State the aggregate market value of the voting stock held by
non-affiliates of the registrant. The aggregate market value
shall be computed by reference to the price at which the stock
was sold, or the average bid and asked prices of such stock, as
of a specified date within 60 days prior to the date of filing.
\$1,267,088 as of February 1, 1996.

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

Class A Common	17,796,902 shares
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Class B Common	667,814 shares
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DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Corporation's 1995 Annual Report to Shareholders
are incorporated by reference and filed as Exhibit 13 to this
Report. No other documents except those previously filed with
the Commission are incorporated herein by reference.

PART I

ITEM 1. BUSINESS

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

DIVERSIFIED TECHNOLOGIES

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

An important element of the Diversified Technologies segment's business is aircraft manufacturing, including the development and manufacture of helicopters and the integration of systems related to helicopters. The Corporation has been the prime contractor for the U.S. Navy for the SH-2 series helicopter, a multi-mission aircraft. As a result of reductions in the size of the U.S. Navy's fleet, the Corporation is not presently manufacturing further aircraft for the U.S. Navy. However, there are presently sixteen (16) such aircraft of the SH-2G configuration in the U.S. Navy's Reserve fleet and the Corporation expects to continue to provide logistics and spare parts support for such SH-2G helicopters. The Corporation is exploring the potential for use of SH-2G helicopters by foreign military services as maritime helicopters operating off of FF 1052 class frigates provided by the U.S. government or smaller ships built by such foreign governments. In 1995, the Corporation began work pursuant to a letter agreement between the Republic of Egypt and the U.S. Navy for the acquisition of ten (10) SH-2G helicopters. Such work involves the retrofit of SH-2F helicopters already manufactured for the U.S. Navy into the SH-2G configuration. The contract between the Corporation and the U.S. Navy for this work is in the process of being finalized and is expected to have a value of approximately \$135 million over approximately a three year period. Incremental funding under such agreement began in 1995. In addition, the corporation is exploring the possibility of other sales to a number of foreign government customers. The Corporation has made proposals to the Royal Australian Navy and the Royal New Zealand Navy. In December, 1995,

the government of New Zealand notified the Corporation that the Corporation was one of two competitors (and the only U.S. company) that would enter the Best and Final Offer process for the procurement of four (4) to six (6) retrofitted aircraft.

The Corporation also produces a commercial helicopter, known as the K-MAX (Registered Trademark) "aerial truck" incorporating intermeshing rotor technology developed by the Corporation. The K-MAX is an FAA type certificated medium-to-heavy lift helicopter which is designed to provide superior operational capabilities, and which experienced its first full year of commercial operation in 1995. While a substantial portion of the Corporation's research and development activities were devoted to this product over the past several years, research and development activities were reduced in 1995 due to the development of the product being essentially complete. In 1995 the K-MAX was certificated in Switzerland and Canada and approval process was initiated in Japan. The production lot of K-MAX helicopters for 1995 consisted of six (6) aircraft and a similar number are scheduled for production in 1996. During the third quarter of 1995 the K-MAX was chosen as the winner of the U.S. Navy vertical replenishment (VERTREP) demonstration competition involving two aircraft. The demonstration was conducted for a period of two months and the Corporation is presently in the process of competing for a six month VERTREP project which would involve deployment of two aircraft under a charter/lease arrangement with the U.S. Navy.

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

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

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

DISTRIBUTION

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

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

The Corporation continues to develop certain support service capabilities in order to meet the maintenance needs of its customers' manufacturing operations. These services include electrical panel and systems fabrication centers capabilities and similar capabilities for hydraulic and pneumatic control panels, linear positioning systems, and material handling systems. In 1995 the Corporation, on a limited basis, continued to act as a supplier of capital equipment to various systems engineering and manufacturing customers by acting as a sales agent for certain equipment manufacturers. As the Corporation has entered new market areas, it has invested in new product inventory and in some instances it has established inventory on consignment in customer locations. The Corporation maintains a management information system, consisting of an on-line computer network linking all of its mainland U.S. and Canadian industrial distribution facilities, which enhances its ability to provide more efficient nationwide service and to improve inventory management. In addition, the Corporation has undertaken initiatives to address the needs of certain national account customers that desire to consolidate their vendor base by entering into "partnering" relationships to broaden geographical coverage. For larger customers, the Corporation has increasingly been given the opportunity to provide an "integrated supply" function involving management of parts inventories and associated personnel as well as selection of suppliers for the customer's facility.

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

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

FINANCIAL INFORMATION

Information concerning each segment's performance for the last three fiscal years appears in the Corporation's 1995 Annual Report to Shareholders and is included in Exhibit 13 to this Form 10-K, and is incorporated by reference.

PRINCIPAL PRODUCTS AND SERVICES

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

	Years Ended December 31		
	1993	1994	1995
	-----	-----	-----
Diversified Technologies:			
Advanced Technology Products and Systems	6.5%*	6.2%*	5.3%
Advanced Technology Services	14.1	13.5	12.7
Aircraft Manufacturing	22.5*	18.2*	18.0
	----	----	----
Segment Total	43.1	37.9	36.0
Distribution:			
Industrial Products	42.9	46.7	48.0
Music Products and Other Services	14.0	15.4	16.0
	----	----	----
Segment Total	56.9	62.1	64.0
Total	100.0%	100.0%	100.0%
	=====	=====	=====

*Reflects reconfiguration of certain business lines.

RESEARCH AND DEVELOPMENT EXPENDITURES

Government sponsored research expenditures by the Diversified Technologies segment were \$70.2 million in 1995, \$82.2 million in 1994 and \$118.8 million in 1993. Amounts shown for 1993 and 1994 reflect reconfiguration of certain government sponsored contracts. Independent research and development expenditures were \$13.7 million in 1995, \$21.1 million in 1994, and \$18.4 million in 1993.

BACKLOG

Program backlog of the Diversified Technologies segment was approximately \$218.7 million at December 31, 1995, \$228.9 million at December 31, 1994, and \$240.8 million at December 31, 1993. The Corporation anticipates that approximately 90.1% of its backlog at the end of 1995 will be performed in 1996. Approximately 62.9% of the backlog at the end of 1995 is related to government contracts or subcontracts which are included in backlog to the extent that funding has been appropriated by Congress and allocated to the particular contract by the relevant procurement agency. Certain of these government contracts, less than 1% of the backlog, have been funded but not signed.

GOVERNMENT CONTRACTS

During 1995, approximately 47.5% of the work performed by the Corporation directly or indirectly for the United States government was performed on a fixed-price basis and the balance was performed on a cost-reimbursement basis. Under a fixed-price contract, the price paid to the contractor is negotiated at the outset of the contract and is not generally subject to adjustment to reflect the actual costs incurred by the contractor in the performance of the contract. Cost reimbursement contracts provide for the reimbursement of allowable costs and an additional negotiated fee.

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

COMPETITION

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

military applications. Examples of proprietary or patented products developed by the Corporation include the Magic Lantern (Registered Trademark) system for detecting underwater objects from a helicopter, the Kamatics line of specialty bearings and the Corporation's line of electromagnetic motors and drives, among others. In providing scientific services and systems development, the Corporation competes primarily on the basis of the technical capabilities and experience of its personnel in specific fields. When bidding for aerospace contracts and subcontracts, the Corporation competes on the basis of price and quality of its products and services as well as the availability of its facilities, equipment and personnel to perform the contract. Defense market conditions have been significantly affected by an ongoing slowdown in defense spending. During 1995 the Department of Defense continued to pursue its implementation of defense acquisition reform by emphasizing the use of commercially developed state-of-the-art technology products and performance-based procurement standards rather than traditional military specification standards. The change in defense program emphasis and greater constraints in the federal budget have increased the level of competition for defense programs. As the U.S. Navy reduces the size of its fleet, and to the extent such reductions are not offset by foreign military sales, the Corporation expects a corresponding reduction in the level of logistics and spare parts required to maintain the series SH-2 helicopters previously produced or retrofitted by the Corporation. In providing spare parts, the Corporation competes with other helicopter manufacturers on the basis of price, performance and product capabilities and also on the basis of its experience as a manufacturer of helicopters. The Corporation's FAA certificated K-MAX helicopters will compete with military surplus helicopters and other helicopters used for lifting, as well as with alternative methods of meeting lifting requirements.

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

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

FORWARD-LOOKING STATEMENTS

To the extent this report includes forward-looking statements that describe the corporation's business prospects, there may be other factors that could have an adverse impact on

those prospects in addition to those described above. These include political, economic, or other conditions, such as recessionary or expansive trends, inflation rates, currency exchange rates, taxes and regulations and laws affecting the business; as well as product competition, pricing, the degree of acceptance of new products to the marketplace, and the difficulty of forecasting sales at various times in various markets.

EMPLOYEES

As of December 31, 1995, the Corporation employed 5,400 individuals throughout its industry segments as follows:

Diversified Technologies	2,964
Distribution	2,373
Corporate Headquarters	63

PATENTS AND TRADEMARKS

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

Although the Corporation's patents enhance its competitive position, management believes that none of such patents or patent applications is singularly or as a group essential to its business as a whole. The Corporation holds or has applied for U.S. and foreign patents with expiration dates that range through the year 2012.

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

Segment	U.S. PATENTS		FOREIGN PATENTS	
	Issued	Pending	Issued	Pending
Diversified Technologies	95	11	45	41
Distribution	23	2	14	0

Trademarks of Kaman Corporation include Adamas, Applause, Hamer, KAFlex, Karon, K-MAX, Magic Lantern, and Ovation. In all, the Corporation maintains 202 U.S. and foreign trademarks with 53 applications pending, most of which relate to music products in the Distribution segment.

COMPLIANCE WITH ENVIRONMENTAL PROTECTION LAWS

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

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

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

FOREIGN SALES

Ninety two and six tenths percent (92.6%) of the sales of the Corporation are made to customers located in the United States. Certain retrofit work on SH-2 series helicopters for delivery to the Republic of Egypt is presently being performed by the Corporation under an agreement between it and the U.S. Navy and, because such work is a "foreign military sale" with the U.S. Government, it is not included in the calculation of foreign sales. In 1995, the Corporation continued its efforts to develop international markets for its products and foreign sales (including sales for export).

ITEM 2. PROPERTIES

The Corporation occupies approximately 4.418 million square feet of space throughout the United States, Canada, and Great Britain, distributed as follows:

SEGMENT	SQUARE FEET (in thousands)
Diversified Technologies	1,965
Distribution	2,413
Corporate Headquarters	40

Diversified Technologies principal facilities are located in Arizona, Colorado, Connecticut, Massachusetts, Pennsylvania and Virginia; other facilities including offices and smaller manufacturing and assembly operations are located in several other states, and in 1995 the Corporation opened an office in Turner, Australia. These facilities are used for manufacturing, scientific research and development, engineering and office purposes. The U.S. Government owns 154 thousand square feet of the space occupied by Kaman Aerospace Corporation in Bloomfield, Connecticut in accordance with a facility contract. In 1995 the Corporation sold approximately 18 acres of land previously owned by it in Colorado Springs, Colorado to an unrelated third party.

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

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

The Corporation's facilities are suitable and adequate to serve its purposes. While substantially all of such properties are currently fully utilized, the Corporation consolidated some of its properties in the Diversified Technologies segment during 1995. Many of the properties, especially within the Distribution segment, are leased and certain of the Corporation's properties are subject to mortgages.

ITEM 3. LEGAL PROCEEDINGS

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

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

There were no matters submitted to a vote of security holders during the fourth quarter of 1995.

PART II

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

CAPITAL STOCK AND PAID-IN CAPITAL

Information required by this item appears in the Corporation's 1995 Annual Report to Shareholders and is included in Exhibit 13 to this Form 10-K, and is incorporated herein by reference.

DIVIDEND REINVESTMENT PLAN

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

QUARTERLY CLASS A COMMON STOCK INFORMATION

	High	Low	Close	Dividend
1995				
First	\$11 1/2	\$10	\$11 1/8	\$.11
Second	13 3/8	10 7/8	12 3/4	\$.11
Third	13	11 1/2	11 7/8	\$.11
Fourth	12 1/8	10 1/2	11 1/8	\$.11
1994				
First	\$10 3/8	\$ 9	\$ 9 5/8	\$.11
Second	10 1/8	8 7/8	9 1/8	\$.11
Third	10 1/8	8 1/2	9 5/8	\$.11
Fourth	11 1/8	9 1/8	11	\$.11

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

	High	Low	Close
1995			
First	\$77	\$72 1/2	\$74
Second	82 1/2	74	79 1/4
Third	86	80	86
Fourth	87	82	82
1994			
First	\$85	\$83	\$83
Second	83	76	76
Third	76	74	74
Fourth	74	71	74

QUARTERLY DEPOSITARY SHARES INFORMATION

	High	Low	Close	Dividend
1995				
First	\$50	\$44 3/16	\$45	\$.81 1/4
Second	56	46	54 1/4	\$.81 1/4
Third	54	50 3/4	52	\$.81 1/4
Fourth	53	47	47	\$.81 1/4
1994				
First	\$52	\$50 1/2	\$50 3/4	\$.81 1/4
Second	51	42 1/2	42 1/2	\$.81 1/4
Third	46	40 3/4	43 5/8	\$.81 1/4
Fourth	48	42 3/4	46 3/4	\$.81 1/4

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

ANNUAL MEETING

The Annual Meeting of Shareholders will be held on Tuesday, April 16, 1996 at 11:00 a.m. in the offices of the Corporation, 1332 Blue Hills Avenue, Bloomfield, Connecticut 06002.

ITEM 6. SELECTED FINANCIAL DATA

Information required by this item appears in the Corporation's 1995 Annual Report to Shareholders and is included in Exhibit 13 to this Form 10-K, and is incorporated herein by reference.

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

Information required by this item appears in the Corporation's 1995 Annual Report to Shareholders and is included in Exhibit 13 to this Form 10-K, and is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Information required by this item appears in the Corporation's 1995 Annual Report to Shareholders and is included in Exhibit 13 to this Form 10-K, and is incorporated herein by reference. Additional financial information is contained in the Financial Data Schedule included as Exhibit 27 to this Form 10-K.

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

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

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

T. Jack Cahill	Mr. Cahill, 47, has held various positions with Kaman Industrial Technologies Corporation, a subsidiary of the Corporation, since 1975, and has been President of Kaman Industrial Technologies since 1993.
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E. Reeves Callaway, III	Mr. Callaway, 48, was elected a Director at the Corporation's 1995 Annual Meeting of Shareholders. He is President of The Callaway Companies, Inc.
Frank C. Carlucci	Mr. Carlucci, 65, has been a Director since 1989. He is Chairman of The Carlyle Group, merchant bankers, having formerly served as Vice Chairman since 1989. Prior to that he served as U.S. Secretary of Defense. Mr. Carlucci is also a Director of Westinghouse Electric Corporation, Ashland Oil, Inc., Bell Atlantic Corporation, General Dynamics Corporation, Neurogen Corporation, Northern Telecom Limited, Quaker Oats Company, Pharmacia and Upjohn, Inc., Sun Resorts, Inc., Texas Biotechnology Corporation, BDM International, and CB Commercial Real Estate Group, Inc.
Laney J. Chouest, M.D.	Dr. Chouest, 42, is a Director Nominee for election at the Corporation's 1996 Annual Meeting of Shareholders. He is owner-manager of Edison Chouest Offshore, Inc.
John A. DiBiaggio	Dr. DiBiaggio, 63, has been a Director since 1984. He is President and Chief Executive Officer of Tufts University. Prior to that he was President and Chief Executive Officer of Michigan State University.
Edythe J. Gaines	Dr. Gaines, 73, has been a Director since 1982. She is a retired Commissioner of the Public Utility Control Authority of the State of Connecticut.
Ronald M. Galla	Mr. Galla, 45, was appointed Senior Vice President and Chief Information Officer in December, 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, 51, was appointed Executive Vice President in December, 1995 and continues to be designated as the Corporation's Chief Financial Officer. Previously he served as Senior Vice President, Chief Financial Officer and Controller. Mr. Garneau has held various positions with the Corporation since 1981.
Huntington Hardisty	Admiral Hardisty (USN-Ret.), 66, has been a Director since 1991, and was appointed President of Kaman Aerospace International Corporation, a subsidiary of the Corporation, in 1995. He retired from the U.S. Navy in 1991 having served as Commander-in-Chief for the U.S. Navy Pacific Command since 1988. He is also a Director of Contraves, Inc., MPR Inc., and CNA Corporation.
Charles H. Kaman	Mr. Kaman, 76, has been Chief Executive Officer and Chairman of the Board of Directors since 1945. He was also appointed President in December, 1995, a position he previously held from 1945 to 1990.
C. William Kaman II	Mr. Kaman, 44, has been a Director since 1992 and was appointed Executive Vice President in December, 1995. He has held various positions with Kaman Music Corporation, a subsidiary of the Corporation, since 1974, and continues to serve as President of that subsidiary. Mr. Kaman is the son of Charles H. Kaman, Chairman, President and Chief Executive Officer of the Corporation.
Walter R. Kozlow	Mr. Kozlow, 60, has held various positions with Kaman Aerospace Corporation, a subsidiary of the Corporation, since 1960. He has been President of Kaman Aerospace since 1986.

Eileen S. Kraus	Ms. Kraus, 57, was elected a Director at the Corporation's 1995 Annual Meeting of Shareholders. She is Chairman of Fleet Bank, N.A. Since 1979 she has held various positions at Shawmut Bank Connecticut and Shawmut National Corporation, predecessors of Fleet Bank, N.A. and its holding company, Fleet Financial Group. She is a Director of Yankee Energy System, Inc., The Stanley Works, and CPC International, Inc.
Hartzel Z. Lebed	Mr. Lebed, 68, has been a Director since 1982. He is the retired President of CIGNA Corporation and is a Director of Shawmut National Trust Co., a subsidiary of Fleet Financial Corporation.
Harvey S. Levenson	Mr. Levenson, 55, has been a Director since 1989. He has served as President and Chief Operating Officer of the Corporation from 1990 until his retirement in December, 1995. Mr. Levenson is also a Director of Connecticut Natural Gas Corporation and Security-Connecticut Corporation.
Walter H. Monteith, Jr.	Mr. Monteith, 65, has been a Director since 1987. He is the retired Chairman of Southern New England Telecommunications Corporation. Mr. Monteith is also a Director of Fleet Bank.
John S. Murtha	Mr. Murtha, 82, has been a Director since 1948. He is counsel to and a former senior partner of the law firm of Murtha, Cullina, Richter and Pinney.
Patrick L. Renehan	Mr. Renehan, 62, has been a Vice President of Kaman Diversified Technologies Corporation, a subsidiary of the Corporation, since 1987. Prior to that he served as a Vice President of Kaman Aerospace Corporation.
Wanda L. Rogers	Mrs. Rogers, 63, has been a Director since 1991. She is Chief Executive Officer of Rogers Helicopters, Inc. She is also Chairman of the Board of Clovis Community Bank.

Robert H. Saunders, Jr. Mr. Saunders, 55, was appointed Senior Vice President in December, 1995. Previously he was Vice President and Chief Financial Officer of the University of Hartford from 1993 to 1995. Prior to that he was President of J. M. Ney Corporation.

Richard E.W. Smith Mr. Smith, 61, was appointed a Vice President of the Corporation in 1989. He has been President of Kaman Diversified Technologies Corporation, a subsidiary of the Corporation, since 1990 and prior to that he served as Vice President of Kaman Sciences Corporation, a subsidiary of the Corporation.

Each Director and Executive Officer has been elected for a term of one year and until his or her successor is elected. The terms of all such Directors and Executive Officers are expected to expire as of the Annual Meeting of the Shareholders and Directors of the Corporation to be held on April 16, 1996.

No Section 16(a) Reporting delinquencies occurred in 1995. However, during the week of January 8 through January 12, 1996, various governmental offices, including the Securities and Exchange Commission, were closed due to the combined effects of a blizzard and a general government shutdown mandated by Congress. As a result of this, filing of the following two Forms 4 were delinquent by one day: A Form 4 dated January 9, 1996, by Mr. Murtha, a Director of the Corporation, involving one transaction; and a Form 4 dated January 9, 1996, by Mr. Desautelle, a former Executive Officer of the Corporation, involving five transactions.

ITEM 11. EXECUTIVE COMPENSATION

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

B) SUMMARY COMPENSATION TABLE.

(a)	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 (#Shares)	LTIP Payments	All Other Comp. (\$)(2)
C. H. Kaman Chairman and Chief Executive Officer	1995	660,000	275,000	-----	-----	-----	---	56,145
	1994	660,000	-----	-----	-----	-----	---	55,261
	1993	660,000	218,000	73,004(3)	-----	-----	---	69,768
H.S. Levenson President and Chief Operating Officer	1995	400,000	125,000	-----	-----	-----	---	173,279
	1994	400,000	-----	-----	-----	-----	---	10,743
	1993	400,000	108,000	-----	38,000	12,000	---	18,603
R.M. Garneau Executive Vice President and Chief Financial Officer	1995	216,000	80,000	-----	56,875	7,500	---	6,485
	1994	200,000	60,000	-----	-----	-----	---	4,845
	1993	190,000	45,000	-----	28,500	9,000	---	5,931
W.R. Kozlow President, Kaman Aerospace Corporation	1995	226,000	60,000	-----	56,875	7,500	---	9,515
	1994	216,000	60,000	-----	-----	-----	---	8,636
	1993	216,000	50,000	-----	28,500	9,000	---	10,446
P.L. Renehan Vice President Kaman Diversified Technologies Corporation	1995	216,000	45,000	-----	56,875	7,500	---	9,339
	1994	210,000	45,000	-----	-----	-----	---	8,214
	1993	205,000	40,000	-----	28,500	9,000	---	8,799

1. As of December 31, 1995, aggregate restricted stock holdings and their year end value were: C.H.Kaman, none; H.S.Levenson, none; R.M.Garneau, 8,600 shares valued at \$95,675; W.R.Kozlow, 8,600 shares valued at \$95,675; P.L.Renehan, 8,300 shares valued at \$92,338. Restrictions lapse at the rate of 20% per year for all awards, beginning one year after the grant date. Awards reported in this column are as follows: H.S.Levenson, 4,000 shares in 1993; R.M.Garneau, 5,000 shares in 1995 and 3,000 shares in 1993; W.R.Kozlow, 5,000 shares in 1995 and 3,000 shares in 1993; P.L.Renehan, 5,000 shares in 1995 and 3,000 shares in 1993. Dividends are paid on the restricted stock.

2. Amounts reported in this column consist of: C.H. Kaman, \$53,000 - Officer 162 Insurance Program, \$ 3,145 - medical expense reimbursement program ("MERP"); H.S. Levenson, \$3,653 - Senior executive life insurance program ("Executive Life"), \$11,524 - Officer 162 Insurance Program, \$1,875 - employer matching contributions to the Kaman Corporation Thrift and Retirement Plan (the "Thrift Plan employer match"), \$1,276 - MERP, \$64,710 - all supplemental employer contributions under the Kaman Corporation Deferred Compensation Plan ("supplemental employer contributions"), \$14,891 - company automobile provided by the Corporation upon his retirement, \$15,275 - Discretionary cash out of certain stock options under Stock Incentive Plan, \$60,075 - Discretionary lapsing of restrictions on restricted stock awards; R.M.Garneau, \$1,777 - Executive Life, \$851 - Officer 162 Insurance Program, \$1,875 - Thrift Plan employer match, \$607 -MERP, \$1,375 supplemental employer contributions; W.R. Kozlow, \$4,576 - Executive Life, \$1,875 - Thrift Plan employer match, \$1,489 -MERP, \$1,575 - supplemental employer contributions; P.L. Renehan, \$5,748 - Executive Life, \$1,875 - Thrift Plan employer match, \$403 - MERP, \$1,313 - supplemental employer contributions.

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

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

Individual Grants					Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term	
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Name	Options/ SARs Granted (#)	% of Total Options/ SARs Granted to Employees in Fiscal Year	Exercise or Base Price (\$/Sh)	Expiration Date	5%(\$)	10%(\$)
C. H. Kaman	none	----	---	---	---	---
H. S. Levenson	none	----	---	---	---	---
R. M. Garneau	7,500	16.7	11.375	2/14/05	18.53	29.50
W. R. Kozlow	7,500	16.7	11.375	2/14/05	18.53	29.50
P. L. Renehan	7,500	16.7	11.375	2/14/05	18.53	29.50

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

Name (a)	Shares acquired on Exercise (#) (b)	Value realized (c)	Number of Unexercised options/SARs at FY-end (#) exercisable/ unexercisable (d)	Value of Unexercised in-the-money options/SARs at FY-end (\$) exercisable/ unexercisable (e)
C. H. Kaman	None	-----	45,000/-0-	143,125/-0-
H. S. Levenson	27,000	92,500	-----/-----	-----/-----
R. M. Garneau	3,600	15,300	11,000/13,501	30,725/10,650
W. R. Kozlow	2,400	8,100	16,600/13,500	48,925/10,650
P. L. Renehan	11,700	41,513	2,800/13,400	6,300/10,338

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

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

PENSION PLAN TABLE

Remuneration*	Years of Service				
	15	20	25	30	35
125,000	33,900	45,426	56,274	67,800	67,800
150,000	41,400	55,476	68,724	82,800	82,800
175,000	48,900	65,526	81,174	97,800	97,800
200,000	56,400	75,576	93,624	112,800	112,800
225,000	63,900	85,626	106,074	127,800	127,800
250,000	71,400	95,676	118,524	142,800	142,800
300,000	86,400	115,776	143,424	172,800	172,800
350,000	101,400	135,876	168,324	202,800	202,800
400,000	116,400	155,976	193,224	232,800	232,800
450,000	131,400	176,076	218,124	262,800	262,800
500,000	146,400	196,176	243,024	292,800	292,800
750,000	221,400	296,676	367,524	442,800	442,800
1,000,000	296,400	397,176	492,024	592,800	592,800
1,250,000	371,400	497,676	616,524	742,800	742,800
1,500,000	446,400	598,176	741,024	892,800	892,800

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

"Covered Compensation" means "W-2 earnings" or "base earnings", if greater, as defined in the Pension Plan. W-2 earnings for pension purposes consist of salary (including 401(k) and Section 125 Plan contributions but not deferrals under a non-qualified Deferred Compensation Plan), bonus and taxable income attributable to restricted stock awards. Salary and bonus amounts for the named Executive Officers for 1995 are as shown on

the Summary Compensation Table. Compensation deferred under the Corporation's non-qualified Deferred Compensation Plan is included in Covered Compensation here because it is covered by the Corporation's unfunded Supplemental Employees' Retirement Plan for the participants in that plan.

Current Compensation covered by the Pension Plan for any named executive whose Covered Compensation differs by more than 10% from the compensation disclosed for that executive in the Summary Compensation Table: Mr. Kaman, \$660,000, Mr. Levenson, \$150,000; Mr. Garneau, \$307,815; Mr. Kozlow, \$317,815; Mr. Renehan, \$289,114.

Federal law imposes certain limitations on annual pension benefits under the Pension Plan. For the named executive officers, the excess will be paid under the Corporation's unfunded Supplemental Employees' Retirement Plan.

The Executive Officers named in Item 11(b) are participants in the plan and as of January 1, 1995, had the number of years of credited service indicated: Mr. Kaman - 50.10 years; Mr. Levenson - 13.20 years; Mr. Garneau - 14.48 years; Mr. Kozlow - 35.70 years; and Mr. Renehan - 12.00 years.

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

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

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

I) Not Applicable.

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

1) The following persons served as members of the Personnel and Compensation Committee of the Corporation's Board of Directors during the last fiscal year: Dr. Gaines, Mr. Carlucci, Admiral Hardisty (for the period April through September 1995), Mr. Murtha, Mr. Monteith, and Mr. Newell (through April, 1995). None of these individuals was an officer or employee of the Corporation or any of its subsidiaries during either the last fiscal year or any portion thereof in which he or she served as a member of the Personnel and Compensation Committee. Mr. Murtha's relationship with the Corporation is further disclosed in Item 13 of this report.

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

K) Not Applicable.

L) Not Applicable.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS.

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

Class of Common Stock	Name and Address Beneficial Owner	Number of Shares Owned as of February 1, 1996	Percentage of Class
Class B	Charles H. Kaman Kaman Corporation Blue Hills Avenue Bloomfield, CT 06002	258,375(1)	38.69%
Class B	Newgate Associates, Ltd. c/o John T. Del Negro CityPlace I 185 Asylum Street Hartford, CT 06103	199,802	29.91%
Class B	C. William Kaman, II Kaman Corporation Blue Hills Avenue Bloomfield, CT 06002	52,539(2)	7.86%
Class B	Robert D. Moses Farmington Woods Avon, CT 06001	48,729(3)	7.30%

- (1) Excludes 1,471 shares held by Mrs. Kaman. Excludes 199,802 shares reported separately above and held by Newgate Associates Limited Partnership, a limited partnership in which Mr. Kaman serves as general partner.
- (2) Excludes 4,800 shares held by Mr. Kaman as Trustee in which shares Mr. Kaman disclaims any beneficial interest.
- (3) Includes 15,192 shares held by Mr. Moses and 33,537 shares held by Paulson and Company as follows: 11,481 shares for the benefit of Mr. Moses, and 22,056 shares held for a partnership controlled by Mr. Moses.

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

Name	Class of Common Stock	Number of Shares Owned as of February 1, 1996	Percentage of Class
E. Reeves Callaway	--	--	--
Frank C. Carlucci	Class A	3,000(1)	*
John A. DiBiaggio	--	--	--
Edythe J. Gaines	Class A	2,057	*
Robert M. Garneau	Class A	29,437(2)	*
	Class B	7,970	*
Huntington Hardisty	--	--	--
Charles H. Kaman	Class A	373,112(3)	2.18%
	Class B	258,375(4)	38.69%
C. William Kaman, II	Class A	67,895(5)	*
	Class B	52,539(6)	7.86%
Walter R. Kozlow	Class A	56,064(7)	*
	Class B	296	*
Eileen S. Kraus	Class A	500	*
Hartzel Z. Lebed	Class A	7,446(8)	*
Harvey S. Levenson	Class A	48,280	*
	Class B	19,500(9)	2.92%
Walter H. Monteith, Jr.	Class A	200	*
John S. Murtha	Class A	45,918(10)	*
	Class B	432	*
Patrick L. Renehan	Class A	32,652(11)	*
Wanda L. Rogers	Class A	1,000	--
All Directors and Executive Officers as a group **	Class A	667,561(12)	3.75%
	Class B	339,112	50.78%

- (1) Held jointly with Mrs. Carlucci.
 - (2) Includes 11,000 shares subject to the exercisable portion of stock options.
 - (3) Excludes the following: 24,132 shares held by Mrs. Kaman; 7,871 shares held by Fidelco Guide Dog Foundation, Inc., a charitable foundation of which Mr. Kaman is President and Director, in which shares Mr. Kaman disclaims beneficial ownership; 184,434 shares held by Newgate Associates Limited Partnership, a limited partnership of which Mr. Kaman is the general partner; and 60,000 shares held by the Charles H. Kaman Charitable Foundation, a private charitable foundation. Included are 45,000 shares subject to exercisable portion of stock options.
 - (4) Excludes the following: 1,471 shares held by Mrs. Kaman and 199,802 shares held by Newgate Associates Limited Partnership, a limited partnership of which Mr. Kaman is the general partner.
 - (5) Includes 14,400 shares subject to exercisable portion of stock options; and excludes 76,496 shares held by Mr. Kaman as Trustee, in which shares Mr. Kaman disclaims any beneficial ownership.
 - (6) Excludes 4,800 shares held by Mr. Kaman as Trustee in which shares Mr. Kaman disclaims any beneficial ownership.
 - (7) Includes 16,600 shares subject to exercisable portion of stock options.
 - (8) Includes shares held jointly with Mrs. Lebed, excludes 480 shares held by Mrs. Lebed.
 - (9) Excludes 500 shares held by Mrs. Levenson.
 - (10) Held by Fleet National Bank pursuant to a revocable trust. Excludes 7,980 shares held by Fleet National Bank pursuant to a revocable trust for the benefit of Mrs. Murtha.
 - (11) Includes 2,800 shares subject to exercisable portion of stock options; and includes 7,453 shares held jointly with Mrs. Renehan.
 - (12) Includes 89,800 shares subject to exercisable portion of stock options.
- * Less than one percent.
- ** Excludes 24,612 Class A shares and 1,971 Class B shares held by spouses of certain Directors and Executive Officers.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During 1995, the Corporation obtained legal services from the Hartford, Connecticut law firm of Murtha, Cullina, Richter and Pinney of which Mr. Murtha, a Director of the Corporation, is counsel. In addition, the Corporation obtained consulting services in the amount of \$93,000 from Admiral Hardisty, a Director of the Corporation prior to his employment with the Corporation. The Corporation has also entered into a consultant's agreement with Mr. Levenson for a term of one year wherein the Corporation has agreed to pay Mr. Levenson a consultant's fee at the rate of \$10,000 per month. The Corporation has also agreed to pay premiums on Mr. Levenson's Group Universal Life Insurance policy for 1996, which premiums are estimated to be \$3,600. In addition, the Corporation has agreed to retain Mr. Levenson as a participant for 1996 in a program pursuant to which it pays for tax and estate planning services, up to certain limits.

PART IV

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

(a)(1) FINANCIAL STATEMENTS.

See Item 8 concerning financial statements appearing as Exhibit 13 to this Report and concerning the Financial Data Schedule appearing as Exhibit 27 to this Report.

(a)(2) FINANCIAL STATEMENT SCHEDULES.

An index to the Financial Statement Schedules immediately precedes such schedules.

(a)(3) EXHIBITS.

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

(b) REPORTS ON FORM 8-K.

No reports on Form 8-K were filed during the last quarter of the year ended December 31, 1995, which year is covered by this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the Town of Bloomfield, State of Connecticut, on this 22nd day of March, 1996.

KAMAN CORPORATION
(Registrant)

By Charles H. Kaman, Chairman, President
and Chief Executive Officer

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

Signature:	Title:	Date:

Charles H. Kaman	Chairman, President, Chief Executive Officer and Director (Chief Executive Officer)	March 22, 1996
Robert M. Garneau	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 22, 1996
Robert M. Garneau		March 22, 1996

Attorney-in-Fact for:

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

KAMAN CORPORATION AND SUBSIDIARIES
Index to Financial Statement Schedules

Report of Independent Auditors

Financial Statement Schedules:

Schedule VIII - Valuation and Qualifying Accounts

Schedule IX - Short-Term Borrowings

Schedule X - Supplemental Income Statement Information

REPORT OF INDEPENDENT AUDITORS

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

The Board of Directors and Shareholders
Kaman Corporation:

Under date of January 29, 1996, we reported on the consolidated balance sheets of Kaman Corporation and subsidiaries as of December 31, 1995 and 1994 and the related consolidated statements of earnings, changes in shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 1995, as contained in the 1995 annual report to shareholders. These consolidated financial statements and our report thereon are included in the annual report on Form 10-K for 1995. In connection with our audits of the aforementioned consolidated financial statements, we also audited the related financial statement schedules as listed in the accompanying index. These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement schedules based on our audits.

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

/s/ KPMG Peat Marwick LLP

Hartford, Connecticut
January 29, 1996

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

YEAR ENDED DECEMBER 31, 1993
Additions

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

YEAR ENDED DECEMBER 31, 1994
Additions

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

YEAR ENDED DECEMBER 31, 1995
Additions

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

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

(B) Write-off of accumulated amortization of goodwill related to the write-down of goodwill in Raymond Engineering Inc.

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

YEAR ENDED DECEMBER 31, 1993

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

YEAR ENDED DECEMBER 31, 1994

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

YEAR ENDED DECEMBER 31, 1995

Category of Aggregate Short-Term Borrowings	Balance Dec. 31, 1995	Weighted Average Interest Rate	Maximum Amount Out- standing During the Year	Average Amount Out- standing During the Year	Weighted Average Interest Rate During the Year
- - - - -	- - - - -	- - - - -	- - - - -	- - - - -	- - - - -
Notes Payable					
- - - Bank	\$62,851	6.2%	\$88,587	\$72,302	6.5%
	=====	=====	=====	=====	=====

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

ITEM - - - - -	Charged to Costs and Expenses -----
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Year Ended December 31, 1993

Maintenance and repairs	\$ 8,650 =====
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Year Ended December 31, 1994

Maintenance and repairs	\$10,482 =====
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Year Ended December 31, 1995

Maintenance and repairs	\$ 7,864 =====
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Depreciation and amortization of intangible assets, preoperating costs and similar deferrals; taxes, other than payroll and income taxes; royalties and advertising costs were not included above since they were not of a significant amount.

KAMAN CORPORATION

INDEX TO EXHIBITS

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

Exhibit 4b	The Revolving Credit Agreements between the Corporation and The Shawmut Bank Connecticut, as agent, and between the Corporation and the Bank of Nova Scotia, as agent, both dated as of July 15, 1994 were previously filed as Exhibits to the Corporation's Quarterly Report on Form 10-Q for the period ending June 30, 1994 (Document No. 0-1093 filed with the Securities and Exchange Commission on August 11, 1994) and are incorporated in this report by reference.	by reference
Exhibit 4c	The Revolving Credit Agreement between the Corporation and The Bank of Nova Scotia and Fleet National Bank of Connecticut, as Co-Administrative Agents, dated as of January 29, 1996.	attached
Exhibit 4d	Deposit Agreement dated as of October 15, 1993 between the Corporation and Chemical Bank as Depositary and Holder of Depositary Shares has been filed as Exhibit (c)(1) to Schedule 13E-4 (Document No. 5-34114 filed with the Securities and Exchange Commission on September 15, 1993) and is incorporated in this report by reference.	by reference
Exhibit 4e	The Corporation is party to certain long-term debt obligations, such as real estate mortgages, copies of which it agrees to furnish to the Commission upon request.	by reference

Exhibit 10a	The 1983 Stock Incentive Plan (formerly known as the 1983 Stock Option Plan) has been filed as Exhibit 10b(iii) to the Corporation's Annual Report on Form 10-K for 1988 (Document No. 0-1093 filed with the Securities and Exchange Commission on March 22, 1989) and is incorporated in this report by reference.	by reference
Exhibit 10b	The Kaman Corporation 1993 Stock Incentive Plan has been filed as Exhibit 10(b) to the Corporation's Annual Report on Form 10-K for 1993 (Document No. 0-1093 filed with the Securities and Exchange Commission on March 11, 1994) and is incorporated herein by reference.	by reference
Exhibit 10c	The Kaman Corporation Employees Stock Purchase Plan as amended has been filed as Exhibit 10(c) to the Corporation's Annual Report on Form 10-K for 1993 (Document No. 0-1093 filed with the Securities and Exchange Commission on March 11, 1994) and is incorporated herein by reference.	by reference
Exhibit 11	Statement regarding computation of per common share earnings.	Attached
Exhibit 13	Portions of the Corporation's 1995 Annual Report to Shareholders as required by Item 8.	Attached
Exhibit 21	Subsidiaries.	Attached
Exhibit 23	Consent of Independent Auditors.	Attached
Exhibit 24	Power of attorney under which this report has been signed on behalf of certain Directors.	Attached
Exhibit 27	Financial Data Schedule	Attached

U.S. \$250,000,000

REVOLVING CREDIT AGREEMENT

dated as of January 29, 1996

among

KAMAN CORPORATION,

as the Company,

VARIOUS FINANCIAL INSTITUTIONS NAMED HEREIN,

as the Banks,

and

THE BANK OF NOVA SCOTIA

and

FLEET NATIONAL BANK OF CONNECTICUT,

as the Co-Administrative Agents

for the Banks

KAMAN CORPORATION
U.S. \$250,000,000
REVOLVING CREDIT AGREEMENT
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KAMAN CORPORATION
U.S. \$250,000,000
REVOLVING CREDIT AGREEMENT

As of January 29, 1996

REVOLVING CREDIT AGREEMENT dated as of January 29, 1996 among KAMAN CORPORATION, a Connecticut corporation (the "Company"), the various financial institutions as are or may become parties hereto (referred to herein individually as a "Bank" or collectively as the "Banks"), and THE BANK OF NOVA SCOTIA ("Scotiabank") and FLEET NATIONAL BANK OF CONNECTICUT ("Fleet") as the co-administrative agents (individually, a "Co-Administrative Agent" and collectively, the "Co-Administrative Agents") for the Banks.

WHEREAS, the Company is currently engaged directly and through its various Subsidiaries in the business of manufacturing and distributing aerospace, industrial and musical products and developing technologies which serve defense, industrial and commercial markets;

WHEREAS, the Company desires to obtain Commitments (such term, together with other capitalized terms used herein, having the meanings provided in Section 9.1) from the Banks pursuant to which Revolving Credit Loans, in a maximum aggregate principal amount at any one time outstanding not to exceed the Total Commitment, will be made to the Company from time to time prior to the Termination Date;

WHEREAS, the Company also desires the Banks to provide a procedure pursuant to which the Company may invite the Banks to bid on an uncommitted basis on short-term borrowings by the Company;

WHEREAS, each of the Banks is willing, on the terms and subject to the conditions hereinafter set forth (including Article III), to extend such Commitments and make such Loans to the Company and provide such a procedure; and

WHEREAS, the proceeds of such borrowings will be used to refinance Indebtedness of the Company outstanding under the Existing Credit Facilities and for the Company's general corporate purposes;

NOW, THEREFORE, the parties hereto agree, as of the Effective Date (as hereinafter defined), as follows:

ARTICLE I
THE LOANS

Section 1.1. Revolving Credit Commitments. Subject to the terms and conditions contained in this Agreement, each Bank agrees (severally and not jointly) to make loans (the "Revolving Credit Loans" and, individually, a "Revolving Credit Loan") to the Company from time to time prior to January 29, 2001 (the "Maturity Date") in principal amounts not exceeding at any one time outstanding for any of the Banks the amount set forth opposite such Bank's name below, as such amounts may be adjusted from time to time pursuant to Section 1.2 or 10.4 hereof:

BANK	COMMITMENT	PERCENTAGE OF TOTAL COMMITMENT

THE BANK OF NOVA SCOTIA	\$37,500,000	15.000000%
FLEET NATIONAL BANK OF CONNECTICUT	\$37,500,000	15.000000%
NATIONSBANK, N.A.	\$27,500,000	11.000000%
THE SUMITOMO BANK, LIMITED, NEW YORK BRANCH	\$27,500,000	11.000000%
ABN AMRO BANK N.V., BOSTON BRANCH	\$18,750,000	7.500000%
THE FIRST NATIONAL BANK OF BOSTON	\$18,750,000	7.500000%
DEUTSCHE BANK AG, NEW YORK AND/OR CAYMAN ISLANDS BRANCHES	\$17,500,000	7.000000%
FIRST NATIONAL BANK OF CHICAGO	\$17,500,000	7.000000%
MELLON BANK, N.A.	\$17,500,000	7.000000%
WACHOVIA BANK OF GEORGIA, N.A.	\$17,500,000	7.000000%
FIRST UNION NATIONAL BANK OF NORTH CAROLINA	\$12,500,000	5.000000%
-----	-----	-----
Total Commitment	\$250,000,000	100.000000%

Such amounts, as they may be adjusted from time to time as hereinafter provided, are herein called individually a "Commitment" and collectively either the "Commitments" or the "Total Commitment". Each Revolving Credit Loan shall be either a Domestic Loan or a Eurodollar Loan, as the Company may elect, in each case subject to the provisions of this Agreement. Although the Total Commitment initially equals \$250,000,000 in the aggregate (and shall not exceed \$250,000,000 in the aggregate even though the principal indebtedness to a Bank may, from time to time, exceed such Bank's Commitment as a result of one or more Bid Auction Advances), it is understood that each Bank's portion of the Total Commitment is a several obligation and not a joint obligation. No Bank shall be required to make any Revolving Credit Loan to the Company after such Bank's Commitment shall have terminated. No Bank shall be responsible to the Company, either Co-Administrative Agent, the Administrator or the other Banks for the obligations or Commitments of any other Bank. Neither of the Co-Administrative Agents nor the Administrator shall be responsible to the Company for the obligations or Commitments of any of the Banks.

Section 1.2. Mandatory Reduction of Commitments; Optional Termination or Reduction of Commitments; Termination of Commitments.

(a) Mandatory Reduction of Commitments. The Total Commitment and each of the Commitments shall be irrevocably and permanently reduced in connection with certain sales of assets described in Section 5.6.

(b) Optional Termination or Reduction of Commitments. At the Company's option and upon three (3) Business Days' prior written notice to the Administrator, the Company, without premium or penalty, may permanently: (a) terminate the Total Commitment upon payment in full of the Notes together with all accrued interest thereon to the date of such payment, and all Fees and other amounts then due the Banks hereunder and thereunder; or (b) reduce pro rata the Total Commitment of the Banks by an amount specified in such notice in integral multiples of \$10,000,000 upon pro rata prepayment to each Bank of the outstanding principal amount of the Revolving Credit Note of such Bank in excess of the amount of the reduced Commitment, if any, of such Bank together with accrued interest on the amount so paid to the date of such payment; provided, that if the termination or reduction of any Commitment pursuant to this clause (b) requires the payment of a Eurodollar

Loan or Bid Auction Advance, the termination or reduction of such Commitment may be made only on the last Business Day of the Interest Period applicable to such Eurodollar Loan or Bid Auction Advance. If any prepayment of a Eurodollar Loan or Bid Auction Advance is required or permitted by a Bank on a date other than the last Business Day of the Interest Period applicable thereto, the Company shall indemnify the Bank receiving any such prepayment in accordance with Section 1.15.

(c) Termination of Commitments. The Commitments of the Banks to make Revolving Credit Loans shall terminate on the Maturity Date, or such earlier date as such Commitments may be terminated pursuant to the provisions of this Section 1.2 or Section 7.3.

Section 1.3. Making and Funding Revolving Credit Loans.

(a) Procedures for Revolving Credit Loans. When the Company desires to borrow Revolving Credit Loans, or to select an interest rate option for an Interest Period for Revolving Credit Loans, the procedures set forth in this Section 1.3 shall apply. The Company shall give the Administrator at least three (3) Business Days' prior written notice in the case of a Eurodollar Loan, and notice on the same date in the case of a Domestic Loan (and the Administrator shall, in turn, promptly notify each of the Banks of each such notice). Such notice (individually a "Revolving Credit Election Notice" and collectively the "Revolving Credit Election Notices") shall specify: (a) the date of the proposed borrowing (which shall be a Business Day); (b) whether such proposed borrowing is to consist of Domestic Loans or Eurodollar Loans; (c) the Interest Period applicable to such Loans; and (d) the aggregate amount to be borrowed. All Revolving Credit Election Notices must be received by the Administrator before 10:00 a.m., Hartford, Connecticut time on the Business Day specified in the second sentence of this Section 1.3(a). Each borrowing of Revolving Credit Loans shall be (x) in the case of Domestic Loans, in an aggregate amount not less than \$2,000,000 or in a greater integral multiple of \$1,000,000, and (y) in the case of Eurodollar Loans, in an aggregate amount not less than \$2,000,000 or in a greater integral multiple of \$1,000,000. Except for Bid Auction Borrowings, each borrowing hereunder shall, to the extent that each Bank satisfies its obligations hereunder, be made from each Bank pro rata based upon such Bank's percentage of the Total Commitment. The Revolving Credit Loans of each Bank shall be evidenced by a promissory note payable to the order of such Bank and in the amount

of the Commitment of such Bank, substantially in the form of Exhibit A attached hereto (individually a Revolving Credit Note and collectively the "Revolving Credit Notes"). The principal amount of each Revolving Credit Loan by each Bank and any repayment or permitted prepayment thereof shall be recorded by such Bank on either the schedule attached to such Bank's Revolving Credit Note or its books and records. The aggregate unpaid principal amount of Revolving Credit Loans set forth on such schedule or books and records shall be presumptive evidence of the principal amount owing and unpaid thereon. Within the limits of the Total Commitment, and subject to the terms and conditions hereof, the Company may borrow hereunder, prepay (but only to the extent permitted by this Agreement), and reborrow pursuant to Section 1.1 and Section 1.3 hereof until the Maturity Date. Notwithstanding any term to the contrary contained herein, any failure of any Bank or the Administrator to make any notation on a schedule to any Note or otherwise record a transaction in a timely fashion or to make correctly any such notation or recordation shall not affect or impair the validity of any Obligations.

(b) Funding Revolving Credit Loans. Not later than 2:00 p.m. (Hartford, Connecticut time) on the date of the proposed borrowing of any Revolving Credit Loan, as specified in the applicable Revolving Credit Election Notice received by the Administrator in accordance with clause (a) above, each of the Banks will make available to the Administrator, in immediately available funds, at the Administrator's Funding Office, such Bank's percentage share of the Revolving Credit Loans to be loaned on such date. Upon receipt from such Bank of such amount, and subject to the provisions of Section 1.1 and upon fulfillment of the applicable conditions of Article III, the Administrator shall make available to the Company, in immediately available funds, at the Administrator's Funding Office, such amount of funds received from such Bank.

Section 1.4. Bid Auction Advances.

(a) Generally. Each Bank severally agrees that the Company may request Bid Auction Borrowings under this Section 1.4 from time to time, on any Business Day after the date hereof and prior to the Maturity Date in the manner set forth below; provided that, after giving effect to the making of each Bid Auction Borrowing, the aggregate principal amount of all Revolving Credit Loans then outstanding plus all Bid Auction Advances then outstanding shall not exceed the Total Commitment. All Bid Auction Advances shall be in Dollars. There shall be no Bid Auction Advances outstanding on or after the Maturity Date.

(b) Notification of Bid Auction Borrowing. The Company shall request a Bid Auction Borrowing under this Section 1.4 by delivering to the Administrator, by 10:00 a.m. (Hartford, Connecticut time) at least one (1) Business Day prior to the date of the proposed Bid Auction Borrowing, a Bid Auction Election Notice. Such Bid Auction Election Notice shall specify the following:

(i) that such proposed borrowing is to be a Bid Auction Borrowing;

(ii) the date of such proposed borrowing (which must be a Business Day);

(iii) the aggregate amount of such proposed borrowing;

(iv) the Interest Period for such proposed borrowing;
and

(v) any other terms to be applicable to such proposed borrowing.

The Administrator shall promptly (and in any event by 5:00 p.m. Hartford, Connecticut time on the date of such receipt) notify each Bank by telecopier, of each request for a Bid Auction Borrowing received by it from the Company.

(c) Banks Response to Bid Auction Borrowing Notification. Each Bank, including the Administrator acting in its capacity as a Bank, may, if in its sole discretion it elects to do so, offer to make one or more Bid Auction Advances to the Company as part of such proposed Bid Auction Borrowing, by delivering to the Company a Bid Auction Offer by telecopy or telefacsimile, before 9:00 a.m. (Hartford, Connecticut time) on the date of the proposed borrowing specified in the Bid Auction Election Notice. Each such Bid Auction Offer shall include the following: (i) the minimum amount and maximum amount of each Bid Auction Advance that such Bank would be willing to make as part of such proposed Bid Auction Borrowing (which amounts may exceed such Bank's Commitment but may not exceed the Total Commitment); (ii) the rate of interest offered therefor; and (iii) the identity of the quoting Bank.

(d) Company Acceptance or Rejection of Offers. The Company shall, in turn, before 10:30 a.m. (Hartford, Connecticut time) on the date of the proposed borrowing specified in the Bid Auction Election Notice, either:

(i) cancel such Bid Auction Borrowing by giving the Administrator notice to that effect, or

(ii) accept one or more of the offers made by any Bank or Banks pursuant to and in compliance with Section 1.4(c), in the Company's sole discretion, by delivering to the Administrator and such Bank or Banks a Bid Auction Acceptance. Each such Bid Auction Acceptance shall specify the date and amount of each Bid Auction Advance (which amount shall be equal to or greater than the minimum amount, and equal to or less than the maximum amount, as specified by such Bank for such Bid Auction Advance pursuant to Section 1.4(c)) to be made by each Bank as part of such Bid Auction Borrowing and the unused amount of the Total Commitment after giving effect to such Bid Auction Borrowing. In addition the Company shall reject any remaining offers made by any Bank or Banks pursuant to Section 1.4(c) by giving the Administrator and any such Bank or Banks notice to that effect.

(e) Usage of Commitments. Upon each occasion that a Bid Auction Advance is made, and during the period such Bid Auction Advance is outstanding, each Bank's Commitment shall be deemed automatically utilized by an amount equal to the amount of such Bid Auction Advance multiplied by such Bank's percentage of the Total Commitment, regardless of the extent to which such Bank makes a Bid Auction Advance.

(f) Funding Indemnity. If the Company notifies the Administrator that a Bid Auction Borrowing is canceled pursuant to Section 1.4(d)(i), the Administrator shall give prompt notice thereof to the Banks, and such Bid Auction Borrowing shall not be made. If the Company accepts one or more Bid Auction Advance offers made by any Bank or Banks, such acceptance shall be irrevocable and binding on the Company and, in respect of any Bid Auction Borrowing, the Company shall indemnify each Bank against any loss or expense incurred by such Bank as a result of any failure by the Company to fulfill, on or before the date specified for such Bid Auction Borrowing, the applicable conditions set forth in this Agreement, including, without limitation, (i) any loss or expense incurred by reason of liquidation or reemployment of deposits or other funds acquired by such Bank to fund or maintain such Bid Auction Advance, and (ii) compensation as provided in Section 1.15.

(g) Making Bid Auction Advances. Each Bank that is to make a Bid Auction Advance as part of any Bid Auction Borrowing shall, before 12:00 noon (Hartford, Connecticut time) on the date of such Bid Auction Borrowing specified in the Bid Auction

Election Notice pursuant to Section 1.4(b), if all applicable conditions specified in Section 3.2 have been satisfied, make available to the Administrator at the Administrator's Funding Office, in immediately available funds, such Bank's portion of such Bid Auction Borrowing. After receipt by the Administrator of such funds, the Administrator will make such funds available to the Company at the Administrator's Funding Office.

(h) Repayment at Maturity. The Company shall repay to the Administrator, for the account of each Bank which has made a Bid Auction Advance to the Company, the principal amount of such Bid Auction Advance on the last day of the Interest Period relating to such Bid Auction Advance. All Bid Auction Advances outstanding on the Maturity Date shall be absolutely and unconditionally due and payable on the Maturity Date.

(i) No Prepayment of Bid Auction Advances. The Company shall not be permitted to prepay any Bid Auction Advance.

(j) Bid Auction Notes. Each Bid Auction Advance from any Bank shall be evidenced by a grid promissory note of the Company payable to the order of the lending Bank, in substantially the form of Exhibit B hereto (individually a "Bid Auction Note" and collectively the "Bid Auction Notes").

Section 1.5. Renewal or Conversion of Loans. Subject to all of the terms and conditions of this Agreement, including without limitation, the satisfaction of all the conditions set forth in Section 3.2 (except clause (a) thereof) to the making of any Revolving Credit Loan, the Company may, on any Business Day, renew any Eurodollar Loan or convert any Domestic Loan into a Eurodollar Loan or any Eurodollar Loan into a Domestic Loan before the Maturity Date, provided, that any renewal or conversion of a Eurodollar Loan may be made only at the expiration of the Interest Period for the Eurodollar Loan to be renewed or converted. If the Company desires to so renew a Eurodollar Loan or convert a Domestic Loan or a Eurodollar Loan, it shall give the Administrator written notice of such renewal or conversion not later than 10:00 a.m. (Hartford, Connecticut time), (i) in the case of conversions into Domestic Loans, on the date of such renewal or conversion, and (ii) in the case of renewals of or conversions into Eurodollar Loans, on the third Business Day prior to the date of such proposed renewal or conversion. Each such notice shall specify: (i) the date of such renewal or conversion; (ii) the specific Domestic Loan to be converted or Eurodollar Loan to be renewed or converted; (iii) the Domestic Loan or Eurodollar Loan which is to replace such Domestic Loan or Eurodollar Loan; and (iv) the Interest Period for any replacement Eurodollar Loan.

Section 1.6. Interest.

(a) Interest Rates on Loans.

(i) Revolving Credit Loans. Each Revolving Credit Loan shall bear interest (from the date made through and including the date of payment in full) at a rate per annum equal to either: (A) in the case of Domestic Loans, the Base Rate plus any Applicable Margin for Domestic Loans; or (B) in the case of Eurodollar Loans, LIBOR plus any Applicable Margin for Eurodollar Loans.

(ii) Bid Auction Advances. Each Bid Auction Advance shall bear interest (from the date made through and including the date of payment in full) at a rate per annum as determined in accordance with Section 1.4.

(b) Calculation. Interest on Domestic Loans shall be calculated on the basis of a 365 or 366 day year (as applicable) and the actual number of days elapsed, and the interest rate with respect to any Domestic Loan shall change effective immediately upon any change in the Base Rate, without notice or demand to or upon the Company. Interest on Eurodollar Loans and Bid Auction Advances shall be calculated on the basis of a 360 day year and the actual number of days elapsed. Each determination of any interest rate by the Administrator pursuant to this Agreement or the Notes shall be conclusive and binding on the Company and each of the Banks in the absence of manifest error.

(c) Interest Payments. Interest shall accrue on the entire principal of each Domestic Loan, each Eurodollar Loan and each Bid Auction Advance and shall be payable in arrears by the Company to the Administrator for the account of the Bank or Banks making such Advance as follows:

(i) Domestic Loans. With respect to any Domestic Loan, on the last Business Day of each calendar quarter;

(ii) Eurodollar Loans. With respect to any Eurodollar Loan, on the last day of the Interest Period for such Loan; provided that interest shall also be payable on the last day of the third (3rd) month for any Eurodollar Loan having a six (6) month Interest Period; and

(iii) Bid Auction Advances. With respect to any Bid Auction Advance, on the last day of the Interest Period for such Bid Auction Advance; provided that interest shall also be payable every ninety (90) days for Bid Auction Advances with Interest Periods in excess of ninety (90) days.

It is understood and agreed that the interest payable on the last day of an Interest Period in excess of 90 days shall be only of interest accrued after the 90th day of such Interest Period if interest accrued through such 90th day was paid on such 90th day, as provided herein.

(d) Default Interest. Notwithstanding the foregoing, in the event any Event of Default occurs and is continuing, the Company shall pay, but only to the extent permitted by law, interest (after as well as before any judgment) on all Advances at a rate per annum equal to the then applicable rate per annum pursuant to clause (a) of this Section 1.6 plus a margin of two percent (2%).

Section 1.7. Interest Periods. Each Interest Period relating to any Eurodollar Loan shall be for such duration of 1, 3 or 6 months as shall be selected by the Company in compliance with the provisions of this Article I. Each Interest Period relating to any Bid Auction Advance shall be for such duration of 7 to 180 days as shall be selected by the Company in compliance with the provisions of this Article I. Any Interest Period which would otherwise end on a day which is not a Business Day shall end on the next succeeding Business Day. Each Interest Period for any Eurodollar Loan or Bid Auction Advance made, converted or renewed prior to the Maturity Date must end on or prior to the Maturity Date. Any Interest Period for a Eurodollar Loan which begins on a day for which there is no numerically corresponding day in the calendar month during which such Interest Period is to end shall end on the last day of such calendar month (or the next preceding Business Day if such last day is not a Business Day). Interest periods for Domestic Loans shall be for such duration as shall be selected by the Company, not to extend beyond the Maturity Date.

Section 1.8. Repayments and Prepayments of Principal of Loans; Pro Rata Treatment; Application of Prepayments.

(a) The entire principal of each of the Revolving Credit Notes and the Bid Auction Notes outstanding on the Maturity Date, together with all accrued unpaid interest thereon, shall be absolutely due and payable on the Maturity Date. All the other Obligations shall, if not sooner paid, become and be absolutely due and payable by the Company on the Maturity Date.

(b) On the last day of each Interest Period for each Eurodollar Loan and each Bid Auction Advance, the Company shall pay all principal, interest and other amounts then outstanding in respect of such Eurodollar Loan or such Bid Auction Advance. Such payment may be made with the proceeds of a new or replacement Domestic Loan, Eurodollar Loan or Bid Auction Advance, to the extent then available, pursuant to all of the terms and limitations of this Agreement.

(c) In no event shall the aggregate outstanding principal amount of the Revolving Credit Loans and Bid Auction Advances outstanding at any time exceed the Total Commitment at such time, as such Total Commitment may be reduced from time to time in accordance with the provisions hereof. Accordingly, upon any such reduction in the Total Commitment, the Company agrees to prepay so much of the Revolving Credit Loans as may be necessary so that the aggregate outstanding principal amount of the Revolving Credit Loans and Bid Auction Advances will not exceed the Total Commitment, as so reduced. For the avoidance of any doubt, the parties hereto acknowledge and agree that, as used in this Agreement, Revolving Credit Loans do not include Bid Auction Advances.

(d) Upon certain sales of assets described in Section 5.6, the Company shall prepay all or a portion of the Advances in accordance with the provisions of such Section 5.6.

(e) The Company may, at its option, subject to the provisions of Section 1.15, prepay without premium, Domestic Loans, in whole or in part, on the following conditions: (i) the Company shall give to the Administrator and each of the Banks written notice of any prepayment of Domestic Loans not later than 10:00 a.m., Hartford, Connecticut time, on the Business Day on which such prepayment is to be made; (ii) each prepayment shall be in a minimum amount of \$2,000,000 and an integral multiple of \$1,000,000; and (iii) each prepayment must be made to the Administrator for disbursement pro rata to each of the Banks. Such notice of prepayment shall be irrevocable and shall specify the date of any such prepayment and the aggregate principal amount to be prepaid pursuant to this clause (e) on such date. Subject to the provisions of the next sentence, the Banks may, but shall not be obligated to, permit the Company to prepay Eurodollar Loans and/or Bid Auction Advances. If any Eurodollar Loan or Bid Auction Advance is prepaid, the Company shall indemnify each Bank in accordance with Section 1.15 hereof.

(f) Except for payments in respect of Bid Auction Borrowings, each payment of principal of borrowings hereunder shall be made to each Bank pro rata based upon its percentage of the aggregate outstanding amount of the Loans at the time of such payment.

(g) Each payment of principal of or interest on any Bid Auction Advance shall be made to the Administrator for the benefit of the Bank which has made such Bid Auction Advance, regardless of such Bank's pro rata percentage of the Total Commitment, except that if any amounts are due and payable upon any Revolving Credit Loans at the time of any such payment of a Bid Auction Advance, then such payment shall be made through the Administrator to each Bank based on each Bank's pro rata share of the total outstanding principal balance of all Loans and Bid Auction Advances.

(h) Any partial payment of the Obligations under or in respect of any Note shall be applied by the Bank holding such Note (i) first, to the payment of all of the interest which shall be due and payable on the principal of such Note at the time of such partial payment, (ii) then, to the payment of all (if any) other amounts (except principal) due and payable under such Note at such time, and (iii) finally, to the payment of principal of such Note.

(i) Each payment of Fees payable to all of the Banks and each payment in respect of a permanent reduction of the Total Commitment shall be made to the Administrator for prompt distribution to each Bank pro rata based upon its percentage of the Total Commitment. Each payment of Fees payable to either of the Co-Administrative Agents hereunder or in connection herewith shall be made directly to such Co-Administrative Agent.

Section 1.9. Payments and Computations.

(a) Notwithstanding anything in this Agreement to the contrary, each payment payable by the Company to the Administrator, any Co-Administrative Agent or any Bank under this Agreement, the Notes, any Subsidiary Guarantee or any other Credit Document shall be made directly to the Administrator (unless such payment is in respect of any Fees payable by the Company to either of the Co-Administrative Agents, in which case such payment shall be made directly to such Co-Administrative Agent), in Dollars at the Administrator's Funding Office (or, with respect to such Co-Administrative Agent, at such office as

notified to the Company by it), not later than 2:00 p.m., Hartford, Connecticut time, on the due date of each such payment and in immediately available funds. The Administrator will promptly distribute to each Bank in immediately available funds by wire transfer such Bank's share (if any) of each such payment received by the Administrator.

(b) If any sum would, but for the provisions of this clause (b), become due and payable to the Administrator, any Co-Administrative Agent or any Bank by the Company under this Agreement, any Note, any Subsidiary Guarantee or any other Credit Document on any day which is not a Business Day, then such sum shall become due and payable on the Business Day next succeeding the day on which such sum would otherwise have become due and payable hereunder or thereunder, and interest payable to the Administrator, such Co-Administrative Agent or such Bank under this Agreement, any Note, any Subsidiary Guarantee or any other Credit Document shall be adjusted by the Administrator (or such Co-Administrative Agent, as the case may be) accordingly.

Section 1.10. Payments to be Free of Deductions.

(a) Each payment payable by the Company to the Administrator, any Co-Administrative Agent or any Bank under this Agreement or any other Credit Document shall be made in accordance with Section 1.9 hereof, in Dollars, without set-off or counterclaim and free and clear of and without any deduction of any kind.

(b) Each Bank that is not organized under the laws of the United States or any state thereof (a "Foreign Bank") shall provide to the Company and the Administrator on or prior to the Effective Date in the case of each Foreign Bank signatory hereto, on the date of any assignment pursuant to which it becomes a Bank in the case of each other Foreign Bank, and at such other times as required by United States law or as the Company or the Administrator shall reasonably request (if either such form is applicable), two duly completed signed copies of either (A) Internal Revenue Service Form 4224 (or any successor form), certifying that all payments to be made to such Foreign Bank under this Agreement or any Note will be effectively connected to a United States trade or business (a "Form 4224 Certification") or (B) Internal Revenue Service Form 1001 (or any successor form), certifying that such Foreign Bank is entitled to the benefits of a provision of a tax convention or treaty to

which the United States is a party which exempts from United States withholding tax, in whole, all payments to be made to such Foreign Bank under this Agreement or any other Credit Document (a "Form 1001 Certification"). In addition, each Foreign Bank agrees that if such Foreign Bank previously filed a Form 1001 Certification it shall deliver to the Company and the Administrator a new Form 1001 Certification prior to the first payment date falling in the third year following the previous filing of such Form 1001 Certification; and if such Foreign Bank previously filed a Form 4224 Certification it shall deliver to the Company and the Administrator a new Form 4224 Certification prior to the first payment date occurring in each of its subsequent taxable years. Each Foreign Bank shall also deliver to the Company and the Administrator, to the extent applicable, such other additional or supplemental forms as may at any time be required as a result of changes in applicable law, rule, regulation or treaty or the circumstances of such Foreign Bank in order to confirm or maintain in effect its entitlement to an exemption from United States withholding tax on any payments hereunder; provided, that the circumstances of such Foreign Bank at the relevant time and applicable law permit it to do so. If a Foreign Bank determines, as a result of (1) applicable law, rule, regulation, treaty, or any official application thereof, or (2) its circumstances, that it is unable to submit any form or certificate that it is obligated to submit pursuant to this Section 1.10(b), or that it is required to withdraw or cancel any such form or certificate previously submitted, it shall promptly notify the Company and the Administrator of such fact (a "Withholding Notice"). In the event that the withholding or deduction from any payment to be made by the Company hereunder is required in respect of any taxes (excluding franchise taxes and taxes imposed on or measured by any Bank's net income or receipts) pursuant to any applicable law, rule or regulation, then the Company will pay the full amount required to be deducted or withheld to the United States Internal Revenue Service or other applicable Governmental Authority within the time allowed for such payment under applicable law and deliver to the Administrator and the Banks within thirty (30) days after it has made such payment either (x) a receipt issued by such Governmental Authority evidencing its receipt of such payment, or (y) if the Company cannot obtain such a receipt after using reasonable diligence under the circumstances, a certificate duly executed by a principal financial officer of the Company stating the amount and date of such payment and the Bank to which it relates. In the event such taxes are directly asserted against the Administrator or any Bank with respect to any payment

received by the Administrator or such Bank hereunder, the Administrator or such Bank may pay such taxes and the Company will promptly pay such additional amount (including any penalties, interest or expenses) as is necessary in order that the net amount received by such person after the payment of such taxes (including any taxes on such additional amount) shall equal the amount such person would have received had not such taxes been asserted. If the Company fails to pay any taxes when due to the appropriate taxing authority or fails to remit to the Administrator, for the account of the respective Banks, the receipt required by clause (x) above or certificate required by clause (y) above, the Company shall indemnify each of the Banks for any incremental taxes (excluding franchise taxes and taxes imposed on or measured by any Bank's net income or receipts), interest or penalties that may become payable by any Bank as a result of any such failure.

Section 1.11. Fees.

(a) Facility Fee. The Company shall pay to the Administrator, for the benefit of the Banks, on the first (1st) Business Day of each calendar quarter in arrears (commencing April 1, 1996) and on the Termination Date (each, a "Facility Fee Payment Date"), a facility fee (the "Facility Fee"). Each payment of the Facility Fee shall be in the amount equal to (i) the Applicable Margin for the Facility Fee then in effect, multiplied by (ii) the average daily amount of the Total Commitment during the period commencing on the most recent prior Facility Fee Payment Date (or January 29, 1996, in the case of the Facility Fee Payment due April 1, 1996) and ending on the day before the current Facility Fee Payment Date. The Facility Fee shall be calculated on the basis of a 365 or 366 day year (as applicable) and the actual number of days elapsed and shall begin to accrue on January 29, 1996. The Administrator shall promptly disburse the Facility Fee to each of the Banks in accordance with their respective percentage shares of the Total Commitment.

(b) Upfront Fee. The Company agrees to pay to the Administrator, for the benefit of each of the Banks, certain fees ("Upfront Fees"), in the amounts and at the times heretofore agreed to between the Company and the Co-Administrative Agents. The Administrator shall promptly disburse the Upfront Fees to each of the Banks in accordance with their respective shares of the Total Commitment.

(c) Co-Administrative Agents' Fees. The Company agrees to pay to each of the Co-Administrative Agents, solely for the account of such Co-Administrative Agent, certain fees ("Agents' Fees"), in the amounts and at the times heretofore agreed to between such Co-Administrative Agent and the Company in connection herewith.

Section 1.12. Use of Proceeds. The Company represents that the proceeds of all Revolving Credit Loans and all Bid Auction Advances made hereunder shall be used by it to refinance Indebtedness of the Company outstanding under the Existing Credit Agreements and for general corporate purposes including acquisitions by the Company, in compliance with this Agreement. The Company further represents, warrants and covenants that the proceeds of all Revolving Credit Loans and all Bid Auction Advances shall not be used by it in any manner which would result in a violation by any Person of Regulation U or X of the F.R.S. Board, 12 C.F.R. Parts 221 and 224.

Section 1.13. Illegality. Notwithstanding any other provisions hereof, if any applicable law, regulation or directive of any Governmental Authority, or any change therein or in the interpretation or application thereof, shall make it unlawful for any Bank to make or maintain Eurodollar Loans, (i) the obligation of such Bank to make such Loans shall terminate, and (ii) the Company shall, if any such Loans are then outstanding, promptly upon request from such Bank, either pay all such Loans (together with interest accrued thereon) made by such Bank either in cash or with the proceeds of a replacement Domestic Loan. If any such payment or replacement of Eurodollar Loans is made on a day that is not the last Business Day of the Interest Period applicable to such Loans, the Company shall pay such Bank all amounts required by Section 1.15(a).

Section 1.14. Increased Costs; Capital Adequacy; Suspensions of Eurodollar Loans.

(a) Increased Costs Relating to Credit Facilities. In the event that applicable law, treaty or regulation or directive from any Governmental Authority, or any change therein or in the interpretation or application thereof or compliance by any Bank with any request or directive (whether or not having the force of law) from any central bank or Governmental Authority, shall: (i) subject any Bank to any tax of any kind whatsoever with respect to this Agreement or any Eurodollar Loan or Bid Auction Advance,

or subject any payment made by the Company to any Bank in respect of principal, Fees, interest or any other amount payable hereunder to any tax of any kind whatsoever (excluding franchise taxes and taxes imposed on or measured by any Bank's net income or receipts); (ii) impose, modify or hold applicable any reserve, special deposit or similar requirements against assets held by, or deposits in or for the account of, advances or loans by, or other credit extended by, any office of any Bank, including pursuant to Regulations of the F.R.S. Board; or (iii) impose on any Bank any other condition with respect to this Agreement, any Note, any other Credit Document, or any of the Loans or Bid Auction Advances hereunder, and the result of any of the foregoing is (x) to increase the cost to such Bank of making, renewing or maintaining its Eurodollar Loans or Bid Auction Advances (or any part thereof) by an amount that such Bank deems, in such Bank's reasonable good faith judgment, to be material or (y) to reduce the amount of any payment (whether of principal, interest or otherwise) in respect of any of the Eurodollar Loans or Bid Auction Advances by an amount that such Bank deems to be material in such Bank's reasonable good faith judgment or (z) to require any Bank to make any payment or to forego any interest or other sum payable hereunder, the amount of which payment or foregone interest or other sum is calculated by reference to the gross amount of any sum receivable or deemed received by the Administrator or any Bank from the Company hereunder, then, in any case, to the maximum extent permitted by applicable law, the Company shall promptly pay such Bank, upon its demand, such additional amount as will compensate such Bank for such additional costs, reduction, payment or foregone interest, as the case may be (collectively the "Additional Costs").

(b) Increased Capital Costs. If any change in, or the introduction, adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other Governmental Authority affects or would affect the amount of capital required or expected to be maintained by any Bank or any corporation controlling any Bank, and such Bank determines (in its reasonable judgment) that the rate of return on its capital as a consequence of its Commitment or the Loans or the Bid Auction Advances made by such Bank is reduced to a level below that which such Bank could have achieved but for the occurrence of any such circumstance, then, in any such case upon notice from time to time by such Bank

to the Company, the Company shall immediately pay directly to such Bank additional amounts sufficient to compensate such Bank for such reduction in rate of return. In determining such amounts, such Bank will use reasonable methods of averaging and attribution. The Company may, however, avoid paying such amounts for future rate of return reductions if, within the maximum borrowings permitted herein, the Company borrows such amounts as will cause the Bank to avoid any such future rate of return reductions which would otherwise be caused by such changed capital adequacy requirements or the Company agrees to a reduction in the Total Commitment to achieve the same result.

(c) If, with respect to any Interest Period, deposits in Dollars (in the applicable amounts) are not being offered to the Administrator in any LIBOR Market for such Interest Period, or the Administrator or the Majority Banks otherwise determine (which determination shall be binding and conclusive on the Company) that by reason of circumstances affecting the LIBOR Market, adequate and reasonable means do not exist for ascertaining LIBOR, then the Administrator shall promptly notify the Company and the Banks thereof and, so long as such circumstances shall continue, (i) no Bank shall thereafter have any obligation to fund or make available Eurodollar Loans and (ii) on the last day of the current Interest Period for any Eurodollar Loans, such Loans shall, unless then repaid in full, automatically convert to Domestic Loans.

Section 1.15. Certain Indemnities.

(a) Payment. The Company agrees to indemnify each Bank and to hold each Bank harmless against and from any loss, costs (including the increased costs referred to in Section 1.14 above) or expenses that it may sustain or incur as a direct consequence of (i) any prepayment of the principal of or interest on any Eurodollar Loan or Bid Auction Advance or (ii) any failure by the Company to complete a borrowing, prepayment, or replacement of or to a Domestic Loan, a Eurodollar Loan or Bid Auction Advance after notice thereof has been given or after telephone notice has been given and is not followed by written notice or is followed by written notice that differs in any respect from the telephonic notice or (iii) any failure by the Company to pay, punctually on the due date thereof, any amount payable to the Administrator, either of the Co-Administrative Agents or any Bank under this Agreement, any Note, or any other Credit Document or (iv) the acceleration, in accordance with the terms of this Agreement, of the time of payment of any of the Obligations. Such losses,

costs or expenses shall include, but shall not be limited to, (x) any costs incurred by any Bank in carrying funds which were to have been borrowed by the Company or in carrying funds to cover any overdue principal, overdue interest or any other overdue sums payable by the Company to the Administrator, either of the Co-Administrative Agents or any Bank under this Agreement, any Note, or any other Credit Document, (y) any interest payable by any Bank to the lenders of the funds borrowed by it in order to carry the funds referred to in the immediately preceding clause (x), and (z) any losses (but excluding losses of anticipated profit) incurred or sustained by any Bank in liquidating or re-employing funds acquired from third parties to make, fund or maintain all or any part of any Loan or Bid Auction Advance. Each Bank shall use reasonable efforts to mitigate all such losses, costs or expenses.

(b) Additional Indemnity. The Company agrees to indemnify and hold each of the Indemnified Parties free and harmless from and against any and all Liabilities.

Section 1.16. Bank Wires to the Company. All transfers by the Administrator to the Company shall be effected by federal wire transfer of immediately available funds to Account Number 0019 5213 of Kaman Corporation maintained at Fleet National Bank of Connecticut, unless specifically instructed otherwise in writing by the Company to the Administrator.

Section 1.17. Administrator or Bank Certificate. A certificate signed by an authorized employee of the Administrator, either of the Co-Administrative Agents or any Bank, setting forth any amount required to be paid by the Company to the Administrator, such Co-Administrative Agent or such Bank pursuant to Section 1.6, Section 1.13, Section 1.14 or Section 1.15 and the computations made by the Administrator, such Co-Administrative Agent or such Bank to determine such amount, shall be submitted by the Administrator, such Co-Administrative Agent or such Bank to the Company in connection with each demand made at any time by the Administrator, such Co-Administrative Agent or such Bank upon the Company under the foregoing Sections. Any such certificate submitted pursuant to Section 1.13 or Section 1.14 shall, absent manifest error, constitute conclusive evidence as to the amount owed pursuant to such Section.

Section 1.18. Interest Limitation. Notwithstanding any other term of this Agreement, any Note or any other Credit Document,

the maximum amount of interest which may be charged to or collected from any Person liable hereunder, under any Note or under any other Credit Document by the Banks shall be absolutely limited to, and shall in no event exceed, the maximum amount of interest (the "Maximum Rate") which could lawfully be charged or collected under applicable law (including, to the extent applicable, the provisions of Section 5197 of the Revised Statutes of the United States of America, as amended, 12 U.S.C. Section 85, as amended), so that the maximum of all amounts constituting interest under applicable law, howsoever computed, shall never exceed as to any Person liable therefor the Maximum Rate, and any term of this Agreement or any Note or any other Credit Document which could be construed as providing for interest in excess of such lawful maximum shall be and hereby is made expressly subject to and modified by the provisions of this clause. If, in any month, the effective interest rate on any amounts owing pursuant to this Agreement or the Notes or any other Credit Document, absent the Maximum Rate limitation contained herein, would have exceeded the Maximum Rate, and if in the future month, such effective interest rate would otherwise be less than the Maximum Rate, then the effective interest rate for such month shall be increased to the Maximum Rate until such time as the amount of interest paid hereunder equals the amount of interest which would have been paid if the same had not been limited by the Maximum Rate.

ARTICLE II REPRESENTATIONS AND WARRANTIES

The Company represents and warrants to each of the Co-Administrative Agents and each Bank that:

Section 2.1. Due Organization; Good Standing; Qualification. The Company and each of its Subsidiaries are duly organized, validly existing and in good standing under the laws of their respective jurisdictions of incorporation, except where a Subsidiary's failure to be in good standing would not have a Material Adverse Effect. Each of the Company and its Subsidiaries has all requisite corporate power, authority, licenses, consents, approvals and the like required to own and operate its respective properties (except where the failure to do so would not have a Material Adverse Effect) and to carry on its respective business as presently conducted, and each is duly qualified to do business and is in good standing as a foreign

corporation in each jurisdiction wherein the character of the properties owned or leased by it therein or in which the transaction of its respective business therein makes such qualification necessary except where failure to comply with any of the foregoing would not have a Material Adverse Effect.

Section 2.2. Due Authorization; No Conflicts. The execution, delivery and performance by the Company of this Agreement, the Notes and each other Credit Document executed or to be executed by it, and the execution, delivery and performance by each other Obligor of each Subsidiary Guarantee and each other Credit Document executed or to be executed by it, and the Company's authority to make the borrowings contemplated thereby, have been duly authorized by all necessary corporate or other action on the part of the Company or each such other Obligor. Such execution, delivery, and performance by the Company and each such other Obligor, and the making by the Company of the borrowings contemplated hereby, do not and will not (a) contravene any provision of the Company's or such other Obligor's Governing Documents, (b) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under or result in the creation of any Lien upon any of the property of the Company or such other Obligor, under any agreement, trust, deed, indenture, mortgage or other instrument to which the Company or such other Obligor is a party or by which the Company or such Obligor or any of their respective properties is bound or affected, or (c) require any waiver, consent or approval by any creditors, shareholders, or public authority.

Section 2.3. Binding Agreements. This Agreement constitutes, the Notes and each other Credit Document, when issued and delivered pursuant hereto for value received shall constitute, the legal, valid and binding obligations of the Company, enforceable in accordance with their respective terms, except as enforcement may be limited by principles of equity, bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally; and each Subsidiary Guarantee and each other Credit Document executed pursuant hereto by each other Obligor shall, on the due execution and delivery thereof by such Obligor, constitute the legal, valid and binding obligation of such Obligor enforceable in accordance with its terms, except as enforcement may be limited by principles of equity, bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally.

Section 2.4. Subsidiaries; Maintenance of Subsidiary Guarantee.

(a) All of the issued and outstanding shares of capital stock of each Subsidiary of the Company which is owned by the Company or a Subsidiary of the Company, has been validly issued and is fully paid and nonassessable and is free and clear of any Lien. No rights to subscribe for additional shares of stock of any Subsidiary have been granted.

(b) On and at all times following the Effective Date, the Co-Administrative Agents and the Banks have the full credit support of Subsidiary Guarantees, guaranteeing in full the payment of all Obligations of the Company hereunder, executed by such Subsidiary Guarantors which, collectively, and taken together with the Company,

(i) account for at least 80% of the consolidated domestic gross revenues of the Company, or

(ii) have assets which represent at least 80% of the consolidated domestic gross assets of the Company,

in each case, as determined by reference to the financial statements delivered by the Company to the Co-Administrative Agents and the Banks, for the four most recently preceding, consecutive fiscal quarters, pursuant to Section 2.6 or Section 4.1, as the case may be.

Section 2.5. No Defaults. No Default or Event of Default is continuing.

Section 2.6. Financial Statements. The Company has furnished to each of the Banks: (a) the audited consolidated balance sheets of the Company and its Subsidiaries as at December 31, 1994, and the related consolidated statements of income, cash flows and shareholders' equity of the Company and its Subsidiaries for the fiscal year ended December 31, 1994, certified by Messrs. KPMG Peat Marwick, LLP., certified public accountants, and (b) the unaudited consolidated and consolidating balance sheets of the Company and its Subsidiaries as at December 31, 1994 and as of March 31, 1995, June 30, 1995 and September 30, 1995, and related consolidated and consolidating statements of income, cash flows and shareholders' equity for the three (3) months ended March 31, 1995, June 30, 1995 and September 30, 1995, in each case certified by the president or principal financial officer of the Company. Such balance sheets

and statements have been prepared in conformity with GAAP applied on a consistent basis throughout the periods specified and present fairly the financial condition and results of operations of the Company and its Subsidiaries as at the dates and for the periods indicated. The balance sheets referred to in this Section 2.6 and the notes thereto disclose all material liabilities, direct or contingent, known to the Company and its Subsidiaries as of the dates thereof.

Section 2.7. No Material Adverse Changes. Since December 31, 1994, there has been no change in the business, assets, operations, prospects, liabilities or condition, financial or otherwise, of the Company and its Subsidiaries, taken as a whole, other than changes the effect of which have not had a Material Adverse Effect.

Section 2.8. No Material Litigation. No action, suit, investigation or proceeding is pending or known to be threatened by or against or affecting the Company or any of its Subsidiaries or any of their respective properties or rights before any Governmental Authority (a) which involves this Agreement, the Notes or any other Credit Document or (b) as to which there is a reasonable possibility of an adverse determination and which, if adversely determined, could, individually or in the aggregate, result in a Material Adverse Effect.

Section 2.9. True Copies of Governing Documents. The Company has furnished or caused to be furnished to each of the Co-Administrative Agents true and complete copies of all of its Governing Documents.

Section 2.10. Compliance with Environmental Laws. To the best of the Company's knowledge and belief, the Company and each of its Subsidiaries is in substantial compliance with all material provisions of applicable Environmental Laws and all judgments, orders and decrees relating thereto and binding upon the Company or any of its Subsidiaries, except where failure to be in compliance would not have a Material Adverse Effect.

Section 2.11. Liens. The aggregate principal amount of indebtedness for borrowed money of the Company and its Subsidiaries, on a consolidated basis, which is secured by Liens on assets of the Company or any of its Subsidiaries, is less than or equal to \$25,000,000.

Section 2.12. Compliance With ERISA. The Company and each of its Subsidiaries is in substantial compliance with all material provisions of ERISA.

Section 2.13. Existing Credit Agreements. As of the Effective Date, no Obligations (under and as defined in each of the Existing Credit Agreements) are due and payable, and no Default or Event of Default (under and as defined in each of the Existing Credit Agreements) is continuing.

Section 2.14. Ownership of Properties. The Company and each of its Subsidiaries owns good and marketable title to all of its properties and assets, real and personal (except where the failure to so own such properties or assets, or have such title, would not have a Material Adverse Effect), free and clear of all Liens, except as permitted pursuant to Section 5.1.

Section 2.15. Taxes. Except for taxes the payment of which is being diligently contested in good faith after the establishment of any reserves required by GAAP, consistently applied, the Company and each of its Subsidiaries has filed all tax returns and reports required by law to have been filed by it and has paid or caused to be paid all taxes, assessments and governmental charges of every kind thereby shown to be owing which would, in the aggregate, if not paid, be material as to the Company and its Subsidiaries when taken as a whole or be reportable under the Securities Exchange Act or required under FASB Standards to be disclosed on the Company's consolidated audited financial statements.

Section 2.16. Regulations G, U and X. Neither the Company nor any of its Subsidiaries is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock, and no proceeds of any Loans or Advances will be used for a purpose which violates, or would be inconsistent with, F.R.S. Board Regulation G, U or X. Terms for which meanings are provided in F.R.S. Board Regulation G, U or X or any regulations substituted therefor, as from time to time in effect, are used in this Section with such meanings.

Section 2.17. Investment Company Act; Public Utility Holding Company Act. Neither the Company nor any of its Subsidiaries is an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or a "holding company", or a "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", within the meaning of the Public Utility Holding Company Act of 1935, as amended.

Section 2.18. Accuracy of Information. All factual information heretofore or contemporaneously furnished by or on behalf of the Company or any other Obligor in writing to the Administrator, any Co-Administrative Agent or any Bank for purposes of or in connection with this Agreement or any transaction contemplated hereby is, and all other such factual information hereafter furnished by or on behalf of the Company or any other Obligor to the Administrator, any Co-Administrative Agent or any Bank will be, true and correct in every material respect on the date as of which such information is dated or certified and as of the date of execution and delivery of this Agreement by the Administrator, such Co-Administrative Agent and such Bank, and such information is not, or shall not be, as the case may be, incomplete by omitting to state any material fact necessary to make such information not misleading in light of the circumstances under which such information is furnished and, in the case of projections on the basis of reasonable assumptions made in good faith as disclosed in the Credit Documents.

ARTICLE III CONDITIONS OF LENDING

Section 3.1. Conditions of Initial Loans. The obligation of each Bank to make its first Revolving Credit Loan or to consider making any Bid Auction Advance under this Agreement is subject to the satisfaction of each of the following conditions precedent at the time of the execution of this Agreement:

(a) Execution of this Agreement, the Notes, the Subsidiary Guarantees and each other Credit Document. This Agreement, each of the Revolving Credit Notes, each of the Bid Auction Notes, each of the Subsidiary Guarantees executed by each of Kaman Aerospace Corporation, a Delaware corporation, Kaman Industrial Technologies Corporation, a Connecticut corporation, Kaman Music Corporation, a Connecticut corporation and Kaman Sciences Corporation, a Delaware corporation and each of the other Credit Documents shall have been duly and properly authorized, executed and delivered to the Co-Administrative Agents by the respective party or parties thereto and shall be in full force and effect on and as of the Effective Date. Executed original counterparts of this Agreement shall have been delivered to the Co-Administrative Agents.

(b) Evidence of Corporate Action; Certified Copies of Governing Documents. The Co-Administrative Agents shall have received certified copies of: (i) all corporate action taken by the Company and each such other Obligor to authorize the execution, delivery and performance of this Agreement, the Notes, each Subsidiary Guarantee and each other Credit Document, and the borrowings to be made hereunder; (ii) all the Company's Governing Documents; (iii) all the Governing Documents of each other Obligor; and (iv) such other papers as either of the Co-Administrative Agents may reasonably require.

(c) Proceedings and Documents. All corporate, governmental and other proceedings in connection with the transactions contemplated by this Agreement and all instruments and documents incidental thereto (including, but not limited to, those to be delivered pursuant to the provisions of this Article III), shall be in form and substance satisfactory to the Co-Administrative Agents, and the Co-Administrative Agents shall have received all such counterpart originals or certified or other copies of all such instruments and documents as either of the Co-Administrative Agents shall have reasonably requested.

(d) Opinions of Counsel. The Co-Administrative Agents shall have received opinions addressed to the Banks, the Administrator and each of the Co-Administrative Agents from (i) Glenn M. Messemer, Esq., counsel for the Company, in or substantially in the form of Exhibit J attached hereto, and (ii) Reid and Riege, P.C., special Connecticut counsel to the Co-Administrative Agents, in or substantially in the form of Exhibit K attached hereto, each such opinion shall be dated the Effective Date and accompanied by such supporting documents as either of the Co-Administrative Agents may reasonably require.

(e) Payment of Outstanding Indebtedness, etc. All Indebtedness outstanding under each of the Existing Credit Agreements, together with all interest, all prepayment premiums and other amounts due and payable with respect thereto, shall have been paid in full (including, to the extent necessary, from proceeds of the initial Advance) and all "Commitments" in respect thereof (as such term is defined in each of the Existing Credit Agreements) shall have been terminated; and all Liens securing payment of any such Indebtedness shall have been released and the Administrator shall have received all Uniform Commercial Code Form UCC-3 termination statements or other instruments as may be suitable or appropriate in connection therewith.

(f) Closing Fees, Expenses, etc. Each Co-Administrative Agent shall have received for its own account, or for the account of each Bank or such other Person, as the case may be, all fees, costs and expenses due and payable pursuant to Section 1.11 and Section 10.1.

Section 3.2. Conditions of Each Loan and Bid Auction Advance. The obligation of each Bank to make any Revolving Credit Loan or to consider making any Bid Auction Advance is subject to the satisfaction, at the time such Advance is to be made, of each of the following conditions precedent:

(a) Notice of Borrowing. The Company shall have duly and timely given to the Administrator the Revolving Credit Election Notice or the Bid Auction Election Notice, as the case may be, required by this Agreement in connection with such Revolving Credit Loan or such Bid Auction Advance. Such Revolving Credit Election Notice or Bid Auction Election Notice, as the case may be, and the delivery thereof, without more, shall constitute certification by the Company as to the matters set forth in clauses (c) and (d) below.

(b) Legality of Transactions. It shall not be unlawful for the Company or any other Obligor to perform any of its agreements or obligations under this Agreement, any of the Notes, any of the Subsidiary Guarantees or any of the other Credit Documents.

(c) Performance; No Default. The Company and each other Obligor shall have duly and properly performed, complied with and observed each of its covenants, agreements and obligations contained in this Agreement, the Notes, each of the Subsidiary Guarantees and each of the other Credit Documents. Both before and after giving effect to any Advance, no Default or Event of Default shall have occurred and be continuing.

(d) Representations and Warranties. Each of the representations and warranties made by the Company and each other Obligor in this Agreement or any other Credit Document shall have been true and correct in all material respects when made and shall for all purposes of this Agreement, be deemed repeated on and as of the date of any application by the Company for any Advance hereunder and on the date of making such Advance and shall be true and correct in all material respects on and as of each of such dates.

ARTICLE IV
AFFIRMATIVE COVENANTS

The Company covenants and agrees with each of the Co-Administrative Agents and the Banks that, so long as any Commitments remain in effect and until such later date as all the Obligations are paid in full in cash, unless the Majority Banks otherwise consent in writing, the Company shall and shall cause each of its Subsidiaries to:

Section 4.1. Financial Statements; Notice of Events of Default. Deliver to each of the Co-Administrative Agents and each of the Banks: (a) within sixty (60) days after the close of each of the first three quarters of each fiscal year of the Company and within one hundred twenty (120) days after the close of each fiscal year of the Company, the consolidated and consolidating balance sheets of the Company and its Subsidiaries as of the close of each such period and consolidated and consolidating statements of income, cash flows and shareholders' equity for such period, prepared in conformity with GAAP, applied on a basis consistent with that of the preceding period or containing disclosure of the effect on financial position or results of operations of any change in the application of GAAP during the period, and certified by the president or a principal financial officer of the Company as accurate, true and correct in all material respects; (b) together with each such balance sheet, a Compliance Certificate substantially in the form of Exhibit G attached thereto; (which Compliance Certificate shall contain written calculations by the Company in reasonable detail concerning compliance or non-compliance, as the case may be, by the Company with the financial covenants referred to herein); (c) together with the annual consolidated financial statements required to be delivered pursuant to clause (a) above for each fiscal year, a report containing an unqualified opinion of KPMG Peat Marwick, LLP or a comparable nationally recognized certified public accounting firm, which opinion shall state that such financial statements fairly present the financial condition and results of operations of the Company and its Subsidiaries in accordance with GAAP; (d) promptly upon the written request of either of the Co-Administrative Agents, such other information about the financial condition and operations of the Company and its Subsidiaries, and any endorser or guarantor (if any), as either of the Co-Administrative Agents may, from time to time, reasonably request; (e) promptly after becoming available, copies of all financial statements, reports, notices and proxy

statements sent by the Company to stockholders, and of all regular and periodic reports filed by the Company with any securities exchange or with the SEC or any governmental agency successor to any or all of the functions of the SEC, and of all press releases issued by the Company; (f) promptly upon becoming aware of any Default or Event of Default, notice thereof in writing; (g) promptly upon becoming aware of any development that is likely to result in an Event of Default, notice thereof in writing; and (h) promptly after becoming aware of any Change in Control, notice thereof in writing.

Section 4.2. Securities Regulation Compliance Reports.

Promptly deliver to each of the Co-Administrative Agents and each of the Banks a copy of: (a) all filings including financial statements and reports filed therewith and amendments thereto made by the Company with the SEC pursuant to the Securities Act of 1933, the Securities Exchange Act, and the rules and regulations promulgated under either of them; (b) all filings, financial statements and reports filed therewith and amendments thereto made by the Company with each securities exchange on which the securities of the Company are listed, if any, pursuant to the rules and regulations of each such exchange; and (c) all written communications, financial statements, reports, notices and proxy statements sent to any class of holders of securities of the Company.

Section 4.3. Insurance. (a) Keep its properties insured against fire and other hazards (so-called "All Risk" coverage) in amounts and with companies satisfactory to the Co-Administrative Agents to the same extent and covering such risks as are customary and reasonably available in the same or a similar business; (b) maintain public liability coverage against claims for personal injuries or death; and (c) maintain all worker's compensation, employment or similar insurance as may be required by applicable law. Alternatively, the Company may self-insure in such amounts and in such manner as may be appropriate in the Company's industry and in the Company's reasonable business judgment. The Company, upon the request of either of the Co-Administrative Agents, agrees to deliver certificates evidencing all of the aforesaid insurance policies to the Co-Administrative Agents.

Section 4.4. Tax and Other Liens. Except for taxes the payment of which is being contested in good faith after the establishment of any reserves required by GAAP consistently applied, pay or cause to be paid all taxes, assessments and

governmental charges of every kind which would, in the aggregate, if not paid, be material as to the Company and its Subsidiaries when taken as a whole or be reportable under the Securities Exchange Act or required under FASB Standards to be disclosed on the Company's consolidated audited financial statements; and the Company shall deliver to the Co-Administrative Agents such other information related to the Company's and its Subsidiaries' taxes as may be reasonably requested by either of the Co-Administrative Agents.

Section 4.5. Litigation. Promptly notify the Co-Administrative Agents (which shall, in turn, promptly notify the Banks) of any legal proceedings or litigation (a) material to the Company and its Subsidiaries when taken as a whole or reportable under the Securities Exchange Act or required under FASB Standards to be disclosed on the Company's consolidated audited financial statement, or (b) which questions the validity of this Agreement, the Notes, any Subsidiary Guarantee or any of the other Credit Documents or any instrument delivered in connection herewith or therewith, or any action to be taken in connection with the transactions contemplated hereby or thereby; and promptly provide to the Co-Administrative Agents such other information related to such proceedings or litigation as reasonably requested by either of the Co-Administrative Agents.

Section 4.6. Conduct of Business. Do or cause to be done all things necessary to (a) preserve and keep in full force and effect its legal existence under the laws of its jurisdiction of incorporation; (b) obtain, preserve, renew, extend and keep in full force and effect all rights, licenses, permits, franchises, authorizations, patents, copyrights, trademarks and trade names material to the conduct of its business; (c) comply in all material respects with all Requirements of Law; (d) comply with all of its Governing Documents; (e) maintain its qualification to do business in each jurisdiction in which the conduct of business requires such qualification; and (f) maintain and preserve all property material to the conduct of its business and keep such property in good repair, working order and condition from time to time, and make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may properly be conducted at all times, except, in each case, (i) where the failure to do so would not have a Material Adverse Effect, (ii) that the Company may liquidate or dissolve Subsidiaries from time

to time as the Company in the proper exercise of its judgment may determine, so long as any such liquidation or dissolution shall not (x) either individually or in the aggregate, have a Material Adverse Effect or (y) be of a Subsidiary Guarantor, unless such liquidation or dissolution is by merger into another Subsidiary which has executed and delivered a Subsidiary Guarantee, or results in the replacement of one Subsidiary Guarantee with a new Subsidiary Guarantee, and after giving effect thereto there shall be no Default or Event of Default hereunder (including in respect of Section 2.4(b) and Section 4.10) and (iii) the Company may liquidate or sell such other assets as it may deem advisable, in the proper exercise of its judgment, so long as such sale or liquidation is in compliance with Section 5.6 and, after giving effect thereto, the Company is in compliance with Section 4.10 and the representation and warranty set forth in Section 2.4(b) shall be true and correct.

Section 4.7. Pension Plans. If and when the Company or any Subsidiary gives or is required to give notice to the PBGC of any Reportable Event (which Reportable Event is material to the Company and its Subsidiaries when taken as a whole or is reportable under the Securities Exchange Act or required under FASB Standards to be disclosed on the Company's consolidated audited financial statements), with respect to any Plan which might constitute grounds for a termination of such Plan under Title IV of ERISA, or knows that any member of the Controlled Group or the plan administrator of any Plan has given notice or is required to give notice of any Reportable Event, the Company shall simultaneously send the Administrator a copy of such notice (and the Administrator shall promptly forward a copy of such notice to the Banks).

Section 4.8. Records and Accounts. Maintain true records and books of account, complete and correct in all material respects and in accordance with GAAP, and maintain adequate accounts and reserves for all taxes (including income taxes), all depreciation, depletion, obsolescence and amortization of its properties, all other contingencies, and all other proper reserves.

Section 4.9. Inspection. Permit any officer or employee designated by any Co-Administrative Agent or any Bank to visit and inspect any of its properties and to examine its books and discuss the affairs, finances and accounts of the Company or any of its Subsidiaries with its officers, all at such reasonable

times, upon reasonable notice, in a reasonable manner and as often as any Co-Administrative Agent or any Bank may reasonably request, subject to compliance with all applicable security regulations and requirements of the United States and the Company's reasonable policies and practices applicable to safeguarding its trade secrets and proprietary products and practices. The Company agrees with each of the Co-Administrative Agents and the Banks that such policies and practices may restrict access by the Co-Administrative Agents and the Banks to certain areas of certain facilities of the Company or its Subsidiaries, but that such policies and practices shall not restrict in any material respect access by the Co-Administrative Agents and the Banks to personnel of the Company and its Subsidiaries.

Section 4.10. **Subsidiary Guarantees.** The Company shall cause the Co-Administrative Agents and the Banks to have at all times the full credit support of Subsidiary Guarantees, guaranteeing in full the payment of all Obligations of the Company, executed by such Subsidiaries of the Company which, collectively, and taken together with the Company,

(a) account for at least 80% of the consolidated domestic gross revenues of the Company, or

(b) have assets which represent at least 80% of the consolidated domestic gross assets of the Company,

in each case, as determined by reference to the financial statements delivered by the Company to the Co-Administrative Agents and the Banks, for the four most recently preceding, consecutive fiscal quarters, pursuant to Section 2.6 or Section 4.1, as the case may be.

Section 4.11. **Further Assurances.** Cooperate with each of the Co-Administrative Agents and each Bank and take such action and execute such further instruments and documents as either of the Co-Administrative Agents shall reasonably request to effect the purposes of this Agreement, the Notes and the other Credit Documents.

ARTICLE V
NEGATIVE COVENANTS

The Company covenants and agrees with each of the Co-Administrative Agents and the Banks that, at the time of the requesting or making of any Advance and so long as any Advance remains outstanding or any Fees or interest payable hereunder remains unpaid after becoming due and payable (and, with respect to the Company's covenants in Section 5.4 and Section 5.6, so long as any Commitments remain in effect and until such later date as all the Obligations are paid in full in cash), unless the Majority Banks otherwise consent in writing, the Company shall not nor will it permit any Subsidiary to:

Section 5.1. Liens. Incur or permit to exist any Lien against any of its property or assets, whether now owned or hereafter acquired, except:

(a) any judgment Lien unless (in case of a judgment which shall be material to the Company and its Subsidiaries when taken as a whole or which is reportable under the Securities Exchange Act or required under FASB Standards to be disclosed in the Company's audited consolidated financial statements) the judgment it secures shall not, within thirty (30) days after the entry thereof have been discharged or execution thereof stayed pending appeal, or unless any such judgment shall not have been discharged within sixty (60) days after the expiration of any such stay;

(b) easements, rights-of-way, zoning and similar restrictions, encumbrances or title defects (but specifically excluding mortgages and any other Liens securing Indebtedness) which, in the aggregate, do not materially detract from the value of the properties of, and do not materially and adversely interfere with the ordinary conduct of the business of, the Company or any of its Subsidiaries;

(c) Liens incurred in the ordinary course of business (such as liens on inventory granted in connection with the Company's securing of the Company's repayment of reimbursement obligations under banker's acceptances or commercial letters of credit but which liens cover solely the inventory which is the subject of such banker's acceptance or commercial letters of credit) which are not material (individually or in the aggregate) to the Company and its Subsidiaries when taken as a whole and do not secure indebtedness for borrowed money (other than reimbursement obligations under banker's acceptances or commercial letters of credit described in the foregoing parenthetical);

(d) Liens on assets which secure previously existing Indebtedness of corporations or business entities acquired by the Company or a Subsidiary, whether by purchase of assets and assumption of liabilities or by purchase of stock, so long as (i) such acquisition is otherwise permitted by the terms of this Agreement, (ii) the Company is in compliance with all of its covenants herein after the completion of such acquisition, and (iii) such Liens were not incurred in contemplation of such acquisition and as a result of such acquisition, and do not extend to any of the Company's or any Subsidiary's assets owned before such acquisition; provided, that, not later than 90 days after any such acquisition the Company shall extinguish, or cause to be extinguished, such Liens unless those Liens are otherwise permitted under the terms of clauses (a), (b), (c), (e), or (f) of this Section 5.1;

(e) any other Liens at any time on assets (other than inventory and accounts receivable) owned by the Company or any of its Subsidiaries which, in the aggregate, do not secure Indebtedness in excess of \$25,000,000; and

(f) Liens granted to the Co-Administrative Agents and the Banks pursuant to any Credit Document.

No Indebtedness or Liens which might be permitted in connection with the transactions described in clauses (d) and (e) above shall be permitted if, after giving effect to the incurrence of such Indebtedness or Liens, a violation of the financial covenants contained in Article VI would or shall exist.

Section 5.2. Limitation on Indebtedness. Create, incur or permit to exist or remain outstanding any Indebtedness (other than Indebtedness under and in respect of this Agreement and each of the other Credit Documents), or issue or sell any obligation of any Subsidiary to a third party lender (other than pursuant to the terms of this Agreement), if such Indebtedness would (i) cause the Company to be in violation of any of the financial covenants set forth in Article VI below, or (ii) exceed, individually or in the aggregate at any time (excluding the amount of any subordinated debt of the type described in clause (i) of the definition of "Subordinated Debt"), \$35,000,000.

Section 5.3. Contingent Liabilities. Assume, guarantee, endorse or otherwise become liable upon the obligations of any Person or enter into any other agreement having substantially the same effect as a Guarantee, except for the endorsement of

negotiable instruments for deposit or collection or other transactions in the ordinary course of business which are not material to the Company and its Subsidiaries when taken as a whole; provided, that (i) each Significant Subsidiary may guarantee the Obligations of the Company and each other Obligor hereunder and under each other Credit Document pursuant to a Subsidiary Guarantee and (ii) the Company may guarantee Indebtedness of its Subsidiaries so long as the aggregate amount of all Indebtedness so guaranteed, when totaled with all Consolidated Total Indebtedness, without duplication (if not already included therein), shall not result in a violation of any of the financial covenants herein or in any other Event of Default hereunder. The foregoing shall not prohibit contractual indemnities, not having substantially the same effect as a Guarantee, given in the ordinary course of business nor shall such contractual indemnities be included for purposes of calculating any financial covenant under this Agreement.

Section 5.4. Consolidation or Merger. Enter into or undertake any plan or agreement or transaction to merge into or consolidate with or into any Person, unless immediately after the consummation of such merger or consolidation, (a) the Company or (if the merger or consolidation is between a Subsidiary and an unaffiliated Person or if the Company elects to reincorporate by merger into a domestic Subsidiary) such Subsidiary is the surviving entity (and, in the case of such a reincorporation by merger, (i) such Subsidiary expressly assumes, in a written instrument executed and delivered to the Co-Administrative Agents, all the Obligations of the Company or such other Obligor, as the case may be, under this Agreement, each of the Notes and each of the other Credit Documents and (ii) the Co-Administrative Agents and the Banks have received a written opinion of outside legal counsel to the Company stating that, pursuant to such merger and instrument of assumption, such Subsidiary has assumed all the Obligations of the Company or such other Obligor under this Agreement, each of the Notes and each of the other Credit Documents), (b) the Company's management remains in control of the merged entity, and (c) no Default or Event of Default hereunder shall exist or would be reasonably likely to occur as a result of such transaction. For the purposes of this Section 5.4, the acquisition by the Company or any Subsidiary of the Company of all or substantially all of the shares of capital stock or all or substantially all of the assets of any Person shall be deemed to be a consolidation of such Person with the Company or such Subsidiary, as the case may be. Nothing herein shall prohibit the Company from divesting a Subsidiary by merging it with another corporation or otherwise so long as the Company otherwise complies with Section 5.6, and after giving effect thereto, the Company is in compliance with Section 4.10 and the representation and warranty set forth in Section 2.4(b) thereto, shall be true and correct.

Section 5.5. Limitation on Certain Other Fundamental Changes. In the case of the Company, liquidate, wind-up or dissolve itself (or suffer any liquidation, winding up or dissolution to occur), or make any liquidating distribution.

Section 5.6. Sale of Assets. Sell or transfer any assets, except for:

(a) sales of inventory in the ordinary course of business; and

(b) sales of assets (other than those referred to in clause (a) above) for fair value (including sales for fair value of assets in transactions in which the Company leases back the assets sold for fair value) (i) the book value of which (at the time of sale) does not exceed in the aggregate for any fiscal year of the Company, fifteen percent (15%) of the Company's Consolidated Tangible Assets as at the last day of the then most recently completed fiscal quarter for which financial statements for the Company and its Subsidiaries are required to have been delivered to the Banks pursuant to Section 4.1, and (ii) with respect to which the Aggregate Percentage obtained after taking into account such sales does not exceed forty-five percent (45%).

In the event of any sale or transfer of assets of the Company or any Subsidiary not permitted by clause (a) or clause (b)(i) or clause (b)(ii) above (referred to herein as a "Designated Sale"), the Company will promptly (and, in any event, within five (5) Business Days) thereafter give written notice of such Designated Sale to each of the Co-Administrative Agents and each of the Banks (a "Designated Sale Notice"), describing in reasonable detail all material terms of such Designated Sale, including a reasonably detailed description of the assets sold, the purchase price and net book value of such assets, and the net proceeds receivable by the Company or any of its Subsidiaries in connection with such Designated Sale. If any Designated Sale occurs prior to the Maturity Date, the Total Commitment will be reduced, on the tenth (10th) Business Day after receipt by the Company of written notice (a "Pay-Down Notice") from the Administrator (at the direction of the Majority Banks) that the Total Commitment is to be so reduced. The Administrator shall give a Pay-Down Notice, if at all, not later than ten (10) days after receipt by the Co-Administrative Agents and the Banks of a Designated Sale Notice conforming to the requirements of this Section 5.6. The amount of each such reduction in the Total Commitment shall be equal to the Reduction Amount.

For purposes of this Section 5.6, the following terms shall have the meanings provided below:

"Aggregate Percentage" shall mean, at any time, the sum of all Applicable Percentages since the Effective Date.

"Applicable Percentage" shall mean, with respect to each sale of assets pursuant to Section 5.6(b), the percentage obtained by dividing (i) the book value of all tangible assets sold (including assets sold in transactions in which the Company leases back such assets), less the portion thereof, if any, which resulted in a prior dollar for dollar reduction of the Total Commitment, by (ii) the Company's Consolidated Tangible Assets as at the last day of the then most recently completed fiscal quarter for which financial statements for the Company and its Subsidiaries are required to have been delivered to the Banks pursuant to Section 4.1.

"Designated Percentage" shall mean, with respect to each sale of assets pursuant to Section 5.6(b), an amount equal to (x) in the event such sale or transfer is not permitted by clause(b)(i) above (but is permitted by clause(b)(ii) above), 15%, (y) in the event such sale or transfer is not permitted by clause(b)(ii) above (but is permitted by clause(b)(i) above), 45%, and (z) in the event such sale or transfer is not permitted by either clause(b)(i) or clause(b)(ii) above, that percentage equal to 15% for each fiscal year since the Effective Date to a cumulative percentage not to exceed 45%.

"Reduction Amount" shall mean, with respect to each sale of assets pursuant to Section 5.6(b), the book value of such assets sold (including assets sold in transactions in which the Company leases back such assets) or any portion thereof, in respect of which the Aggregate Percentage determined in connection with such sale exceeds the Designated Percentage.

Section 5.7. Affiliate Transactions. Enter into any transaction with an affiliate, except in the ordinary course of business and pursuant to the reasonable requirements of the Company's and, if applicable, such Subsidiary's business and upon fair, reasonable and arm's-length terms.

Section 5.8. Certain Restrictive Agreements. Enter into or permit to exist any indenture, agreement, instrument or other arrangement (other than this Agreement), in connection with the incurrence of Indebtedness which, directly or indirectly, prohibits or limits, or has the effect of prohibiting or limiting, (a) the incurrence of Indebtedness to the Banks pursuant to this Agreement, or the payment of such Indebtedness to the Banks, (b) the payment of dividends by any Subsidiary or the making by any Subsidiary of any advances or other payments or distributions to the parent of such Subsidiary or (c) any Subsidiary Guarantee contemplated hereunder.

Section 5.9. Compliance With Environmental Laws. Except in compliance with all applicable Environmental Laws (and except to the extent that noncompliance would not have a Material Adverse Effect), (a) use any of the Real Estate or any portion thereof for the handling, processing, storage or disposal of Hazardous Substances, (b) cause or permit to be located on any of the Real Estate any underground tank or other underground storage receptacle for Hazardous Substances, or (c) generate any Hazardous Substances on any of the Real Estate.

ARTICLE VI FINANCIAL COVENANTS

The Company covenants and agrees with each of the Co-Administrative Agents and the Banks that, at the time of the requesting or making of any Advance and so long as any Advance remains outstanding or any Fees or interest payable hereunder remains unpaid after becoming due and payable, unless the Majority Banks otherwise consent in writing, the Company shall not:

Section 6.1. Consolidated Net Worth. Cause or permit the Company's Consolidated Net Worth to be less than \$200,000,000 at any time.

Section 6.2. Fixed Charge Coverage Ratio. Cause or permit the ratio of (a) the Company's Operating Profit for the four (4) most recently completed fiscal quarters of the Company, to (b) the aggregate consolidated interest expense on borrowed money (including the Obligations) (net of cash income from investments) of the Company and its Subsidiaries for such four fiscal quarters, (i) through (and including) December 31, 1997, to be less than 2.50 to 1.0, and (ii) at any time of determination thereafter, to be no less than 2.75 to 1.0.

Section 6.3. Consolidated Total Indebtedness to Total Capitalization. Cause or permit the Company's Consolidated Total Indebtedness to exceed fifty-five percent (55%) of its Total Capitalization at any time.

ARTICLE VII
EVENTS OF DEFAULT; CERTAIN REMEDIES

Section 7.1. Events of Default. The occurrence of any one or more of the following events or conditions shall constitute an "Event of Default":

(a) the principal amount due upon any Note is not paid when due, whether at maturity, by acceleration or otherwise;

(b) any interest on any Note or any Fee due hereunder is not paid within five (5) Business Days of the due date thereof;

(c) default is made in the due observance or performance of any other covenant, term or agreement contained in this Agreement or in any other Credit Document, and such default continues unremedied for a period of thirty (30) days after any executive, legal or financial officer of the Company becomes aware or is notified by either of the Co-Administrative Agents of such default, whichever first occurs;

(d) any representation made by the Company or any other Obligor in Article II of this Agreement or in any other Credit Document shall be false or incorrect in any material respect on the date as of which made or deemed to have been made or repeated, unless (i) (A) the fact or condition which made such representation false or incorrect is changed or remedied, within 15 days after any executive, legal or financial officer of the Company becomes aware of such misrepresentation, to make such representation true and correct in all material respects, or (B) the Company shall have disclosed, or shall have caused to have been disclosed, in reasonable detail to each of the Co-Administrative Agents and each of the Banks the nature and extent of such misrepresentation within 15 days after any executive, legal or financial officer of the Company becomes aware of such misrepresentation, and (ii) no Material Adverse Effect shall have occurred as a result of the fact or condition which made such representation false or incorrect;

(e) any obligation of the Company or any Subsidiary for the payment of Indebtedness in excess of Five Million Dollars (\$5,000,000), individually or in the aggregate, (i) becomes or is declared to be due and payable prior to the stated maturity thereof as a result of a default by the Company or any Subsidiary, or (ii) is not paid when due or within any grace period for the payment thereof, or (iii) is evidenced or secured by an agreement pursuant to which there shall occur any default in the performance or observance of any other term, condition or agreement if the effect of such default is to cause or permit the holder or holders of such obligation to cause such obligation to become due prior to its stated maturity;

(f) the Company or any Subsidiary makes an assignment for the benefit of creditors; admits in writing its inability to pay its debts as they become due; files a voluntary petition in bankruptcy; is adjudicated bankrupt or insolvent; files or consents to the filing of any petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, dissolution, liquidation or similar relief under any present or future statute, law or regulation of any jurisdiction; petitions or applies to any tribunal for any receiver, liquidator, fiscal agent or any other similar agent or any trustee; or there is commenced against the Company or any Subsidiary any such proceeding without the consent of the Company or such Subsidiary which is not dismissed within thirty (30) days after the commencement thereof;

(g) any Change in Control occurs, and the Co-Administrative Agents and the Banks notify the Company within thirty (30) days after first being notified by the Company of the Change in Control that the Co-Administrative Agents and the Banks do not consent to the Change in Control; and

(h) the Agreement, the Notes or any Subsidiary Guarantee shall (except in accordance with its terms or except as expressly permitted under this Agreement), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of any Obligor party thereto; or the Company or any other Obligor shall, directly or indirectly, contest in any manner such effectiveness, validity, binding nature or enforceability.

Section 7.2. Acceleration of Obligations. If any one or more Events of Default shall at any time be continuing, the Co-Administrative Agents may, and, upon the written direction of the Majority Banks, shall, by giving notice to the Company,

declare all of the Obligations, including the entire unpaid principal of all the Notes, all of the unpaid interest accrued thereon, and all (if any) other sums payable by the Company or such other Obligor under this Agreement, the Notes or any of the other Credit Documents, to be immediately due and payable; except that upon the occurrence of any Event of Default under Section 7.1(f), all of the Obligations, including the entire unpaid principal of all the Notes, all of the unpaid interest accrued thereon, and all (if any) other sums payable by the Company or such other Obligor under this Agreement, the Notes or any of the other Credit Documents shall automatically and immediately be due and payable, without notice or demand. Thereupon, all of such Obligations which are not already due and payable shall forthwith become and be absolutely and unconditionally due and payable, without any further notice (or any notice, as the case may be), or any other formalities of any kind, all of which are hereby expressly and irrevocably waived.

Section 7.3. Termination of Commitments; Exercise of Other Remedies. If any one or more Defaults shall be continuing under Section 7.1(c), or if any one or more Events of Default shall be continuing, then:

(a) Subject always to the provisions of Section 8.11, each of the Banks and the Co-Administrative Agents may proceed to protect and enforce all or any of its rights, remedies, powers and privileges under this Agreement, the Notes or any of the other Credit Documents by action at law, suit in equity or other appropriate proceedings, whether for specific performance of any covenant contained in this Agreement, any Note or any other Credit Document or in aid of the exercise of any power granted to the Administrator, any Co-Administrative Agent or any Bank herein or therein; and

(b) The Co-Administrative Agents may, and, upon the written request of the Majority Banks, shall, by giving notice to the Company, immediately terminate the Commitments of each of the Banks in full, and each Bank shall thereupon be relieved of all of its obligations to make any Loans hereunder; except that upon the occurrence of any Event of Default under Section 7.1(f), the Commitments of all of the Banks shall automatically terminate in full, and each Bank shall thereupon be relieved of all of its obligations to make any Loans hereunder. No termination of the Commitments of the Banks hereunder shall relieve the Company or any other Obligor of any of its Obligations.

Section 7.4. No Implied Waivers; Rights Cumulative. No delay on the part of the Administrator, any Co-Administrative Agent or any Bank in exercising any right, remedy, power or privilege under this Agreement, any of the Notes or any of the other Credit Documents provided by statute or at law or in equity or otherwise shall impair, prejudice or constitute a waiver of any such right, remedy, power or privilege or be construed as a waiver of any Default or Event of Default or as an acquiescence therein. No right, remedy, power or privilege conferred on or reserved to the Administrator, any Co-Administrative Agent or any Bank under this Agreement, any of the Notes or any of the other Credit Documents or otherwise is intended to be exclusive of any other right, remedy, power or privilege. Each and every right, remedy, power and privilege conferred on or reserved to the Administrator, any Co-Administrative Agent or any Bank under this Agreement, any of the Notes or any of the other Credit Documents or otherwise shall be cumulative and in addition to each and every other right, remedy, power or privilege so conferred on or reserved to the Administrator, any such Co-Administrative Agent or any such Bank and (subject to the provisions of Section 8.11) may be exercised at such time or times and in such order and manner as the Administrator, any Co-Administrative Agent or any such Bank shall (in its sole and complete discretion) deem expedient.

Section 7.5. Set-Off. Any deposits or other sums at any time credited by or due from any Bank to the Company and any securities or other property of the Company in any Bank's possession may at all times be held and treated as collateral security for the payment and performance of the Obligations, and the Company hereby grants to each of the Banks a continuing security interest in such deposits, sums, securities or other property maintained with such Bank. Regardless of the adequacy of any collateral, while any Event of Default is continuing, any deposits or other sums credited by or due from any of the Banks to the Company may be appropriately applied to or set-off against any of the Obligations due to such Bank hereunder without notice to the Company or compliance with any other condition precedent now or hereafter imposed by statute, rule of law or otherwise (all of which are hereby expressly waived by the Company). Each Bank agrees with each other Bank that (i) if an amount to be set off is to be applied to indebtedness of the Company to such Bank, other than the Obligations, such amount shall be applied ratably to such other indebtedness and to the Obligations, and (ii) if such Bank shall receive from the Company, whether by voluntary payment, exercise of the right of setoff, counterclaim, cross action, enforcement of the claim evidenced by this Agreement by proceedings against the Company, whether at law

or in equity or by proof thereof in bankruptcy, reorganization, liquidation, receivership or similar proceedings, or otherwise, and shall retain and apply to the payment of the Company's Obligations to such Bank hereunder, any amount in excess of such Bank's ratable portion of the payments to be received by all of the Banks (such ratable portion being determined in accordance with the other provisions of this Agreement), such Bank will promptly make such disposition and arrangements with the other Banks with respect to such excess, either by way of distribution, pro tanto assignment of claims, subrogation or otherwise as shall result in each Bank receiving in respect of the Obligations to it of the Company such Bank's proportionate payment; provided, however, that if all or any part of such excess payment is thereafter recovered from such Bank, such disposition and arrangements shall be rescinded and the amount restored to the extent of such recovery, but without interest.

ARTICLE VIII
THE CO-ADMINISTRATIVE AGENTS
AND THE ADMINISTRATOR

Section 8.1. Authorization. Each of the Banks hereby appoints, and authorizes to act, each of Scotiabank and Fleet as Co-Administrative Agents and Fleet as the Administrator for the Banks with respect to this Agreement, the Notes and each of the other Credit Documents, and each of the Co-Administrative Agents and the Administrator hereby agrees to so act as agent for the Banks, on the terms and subject to the conditions set forth in this Article VIII. All payments made by the Company to the Administrator, for the benefit of the Banks, shall be distributed by the Administrator to the Banks as set forth herein promptly after receipt thereof in immediately available funds. Each Bank irrevocably authorizes the Administrator as the agent of such Bank to take such action on its behalf under the provisions of this Agreement and the Notes and each of the other Credit Documents and to exercise such powers hereunder and thereunder as are specifically delegated to the Administrator by the terms hereof and thereof, together with such powers as are reasonably incidental thereto. With respect to the Advances made pursuant hereto, each of the Co-Administrative Agents shall have the same obligations and the same rights, powers and privileges (a) with respect to its Commitment and the Advances made by it in its role as a Bank hereunder, and (b) as the holder of any of the Notes, as any other Bank and may freely exercise the same.

Section 8.2. No Liability. Neither of the Co-Administrative Agents nor the Administrator any of their respective shareholders, directors, officers, employees or agents nor any other Person assisting them in their duties nor any agent or employee thereof shall be liable to any of the Banks for any waiver, consent or approval given or any action taken, or omitted to be taken, in good faith by it or them hereunder or under any other Credit Document, or in connection herewith or therewith or be responsible to the Banks for the consequences of any oversight or error of judgment whatsoever, except that each of the Co-Administrative Agents and the Administrator may be liable for losses due to its willful misconduct or gross negligence.

Section 8.3. Conditions of Acting as Administrator and of Accepting Appointment as a Co-Administrative Agent. The Administrator agrees to act as Administrator, and each of the Co-Administrative Agents accepts its appointment as a Co-Administrative Agent, upon the following conditions set forth in this Section 8.3.

(a) Each of the Co-Administrative Agents and the Administrator may execute any of its duties hereunder by or through agents or employees and shall be entitled to rely upon advice of counsel concerning all legal matters pertaining to the agency hereby created and its duties hereunder.

(b) Neither of the Co-Administrative Agents nor the Administrator shall (i) be responsible to the Banks for any recitals, statements, warranties or representations herein, in any other Credit Document or in any related agreements furnished to either of the Co-Administrative Agents, the Administrator or any of the Banks by or on behalf of the Company or any other Obligor, or (ii) be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or under any other Credit Document on the part of the Company or any other Obligor. Any such inquiry which may be made by either of the Co-Administrative Agents or the Administrator shall not obligate such Person to make any further inquiry or to take any action.

(c) Each of the Co-Administrative Agents and the Administrator shall be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, teletype message, statement, order, telephone communication or other document or communication believed by it to be genuine and correct and to have been signed or communicated to it by the proper Person or Persons and, in respect of legal matters, upon

the advice of counsel selected by the Co-Administrative Agents. Any request, authority or consent of any Person who at the time of making such request or giving such authority or consent is a Bank hereunder shall be conclusive and binding on any subsequent transferee or assignee of such Bank.

(d) Neither of the Co-Administrative Agents nor the Administrator shall be responsible to any Bank for the validity or enforceability of this Agreement or any of the Notes or any of the other Credit Documents or for the validity, enforceability or collectibility of any amounts owing with respect to this Agreement or any of the Notes or any of the other Credit Documents.

(e) Neither of the Co-Administrative Agents nor the Administrator has made nor does it now make any representations or warranties, express or implied, nor does it assume any liability to the Banks with respect to the creditworthiness or financial condition of the Company or any of its Subsidiaries.

(f) Neither of the Co-Administrative Agents nor the Administrator shall be responsible to (i) any party on account of the failures of, or delay in performance or breach by, any Bank (except for such Co-Administrative Agent or the Administrator, in its capacity as a Bank in respect of its obligations as such) of its obligations hereunder or (ii) any Bank on account of the failure of or delay in performance or breach by any other Bank or the Company hereunder or under the Notes or under any of the other Credit Documents or in connection herewith or therewith.

Section 8.4. Co-Administrative Agents. In addition to Section 8.3, and except as otherwise expressly set forth in this Agreement, none of the Banks identified on the signature pages of this Agreement as a "Co-Administrative Agent" shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Banks as such. Without limiting the foregoing, none of the Banks so identified as a "Co-Administrative Agent" shall have or be deemed to have any fiduciary relationship with any Bank. Each Bank acknowledges that it has not relied, and will not rely, on any of the Banks so identified in deciding to enter into this Agreement or in taking or not taking action hereunder or under any other Credit Document.

Section 8.5. Payments.

(a) If in the good faith opinion of the Administrator the distribution of any amount received by it in such capacity hereunder might subject it to liability, it may refrain from making such distribution until its right to make such distribution shall have been adjudicated by a court of competent jurisdiction. If a court of competent jurisdiction shall adjudge that any amount received and distributed by the Administrator is to be repaid, each Person to whom any such distribution shall have been made shall either repay to the Administrator its proportionate share of the amount so adjudged to be repaid or shall pay over the same in such manner and to such Persons as shall be determined by such court. With respect to obligations of the Company hereunder, a payment to the Administrator shall be deemed to be a payment to the Banks.

(b) Notwithstanding anything to the contrary contained in this Agreement or any of the other Credit Documents, any Bank that is obligated to but fails (x) to make available to the Administrator its pro rata share of any Advance (except as set forth in Section 1.13) or (y) to comply with the provisions of Section 7.5 with respect to making dispositions and arrangements with the other Banks, where such Bank's share of any payment received, whether by setoff or otherwise, is in excess of its pro rata share of such payments due and payable to all of the Banks, in each case as, when and to the full extent required by the provisions of this Agreement, shall be deemed delinquent (a "Delinquent Bank") and shall be deemed a Delinquent Bank until such time as such delinquency is satisfied. A Delinquent Bank shall be deemed to have assigned any and all payments due to it from the Company, whether on account of outstanding Loans, interest, fees or otherwise, to the remaining nondelinquent Banks for application to, and reduction of, their respective pro rata shares of all outstanding Advances. The Delinquent Bank hereby authorizes the Administrator to distribute such payments to the non-delinquent Banks in proportion to their respective pro rata shares of all outstanding Advances. A Delinquent Bank shall be deemed to have satisfied in full a delinquency when and if, as a result of application of the assigned payments to all outstanding Advances of the nondelinquent Banks, the Banks' respective pro rata shares of all outstanding Advances have returned to those in effect immediately prior to such delinquency and without giving effect to the nonpayment causing such delinquency.

Section 8.6. Holders of Notes. The Administrator may deem and treat the payee of any Note as the absolute owner or purchaser thereof for all purposes hereof until it shall have been furnished in writing with a different name by such payee or obligor or by a subsequent holder, assignee or transferee.

Section 8.7. Modification of this Agreement and the Notes and each of the other Credit Documents; Waivers and Consents. The Majority Banks shall have the power to assent to and authorize any modification of any of the provisions of this Agreement, the Notes or any of the other Credit Documents and to waive or consent to any deviation from or violation of the provisions of this Agreement, the Notes or any of the other Credit Documents which may be requested by the Company (including waivers of Defaults or Events of Default), and any such assent, authorization, waiver or consent shall be binding upon all of the Banks and all holders of the Notes as though such actions were specifically and expressly authorized by the terms hereof; provided, that:

(a) the obligation of the Company to pay the principal of each of the Notes as and when the same becomes due and to pay interest on each of them as the same shall become due from time to time and to pay Upfront Fees or any Facility Fees as and when the same become due, shall continue unimpaired unless otherwise consented to in writing by all the Banks;

(b) neither the principal amount of any Note nor the interest thereon nor any Upfront Fees or any Facility Fees payable hereunder shall be reduced without the written consent of all the Banks;

(c) the amount of any Bank's Commitment shall not be increased without the written consent of such Bank and the amount of the Total Commitment shall not be increased without the written consent of all of the Banks;

(d) the definition of "Applicable Margin", "Maturity Date" and "Majority Banks" shall not be amended, modified or waived without the written consent of all the Banks;

(e) a Default or Event of Default under clauses (a), (b) or (f) of Section 7.1 shall not be waived without the written consent of all the Banks;

(f) the provisions of Section 2.4(b), Section 4.10 or Section 5.1 shall not be amended, modified or waived without the written consent of all the Banks;

(g) except as expressly permitted under this Agreement, the amendment or modification of any Subsidiary Guarantee (or release of any Subsidiary from its obligations thereunder) shall not be permitted without the written consent of all the Banks; and

(h) the provisions of this Section 8.7 shall not be amended, modified or waived without the written consent of all the Banks.

Section 8.8. Costs of Co-Administrative Agents; Indemnification. Each Bank agrees to reimburse each of the Co-Administrative Agents, pro rata according to such Bank's respective Commitment, for all costs, expenses, and disbursements (including reasonable attorneys' fees and disbursements and amounts paid to consultants and agents retained by such Co-Administrative Agents) incurred by, or asserted against, such Co-Administrative Agent and not reimbursed by the Company, except for such costs, expenses, and disbursements and amounts paid to consultants and agents retained by such Co-Administrative Agent incurred as a result of such Co-Administrative Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Bank agrees to indemnify each of the Co-Administrative Agents and the Administrator (to the extent not reimbursed by the Company) ratably, as aforesaid, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against such Co-Administrative Agent or the Administrator in any way relating to or arising out of this Agreement, the Notes or any of the other Credit Documents or any action taken or omitted by such Co-Administrative Agent or the Administrator under this Agreement or the Notes or any of the other Credit Documents, except to the extent that the same may result from the gross negligence or willful misconduct of such Co-Administrative Agent or the Administrator; provided, however, that at all times during the continuance of an Event of Default, the aforesaid reimbursement and indemnity obligations of each Bank shall be determined by each Bank's pro rata share of the aggregate of the Company's Obligations (including all Advances) outstanding at such time under this Agreement, the Notes and each of the other Credit Documents. Each of the Co-Administrative Agents and the Administrator shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of the Majority Banks as it deems appropriate or it shall first be indemnified to its satisfaction by the Banks against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. In all cases each of the Co-Administrative Agents and the Administrator shall be fully protected in acting, or in refraining from acting, under this Agreement and the Notes and

the other Credit Documents in accordance with a request of the Majority Banks, and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Banks and all future holders of the Notes. If any indemnity in favor of any Co-Administrative Agent or the Administrator shall be or become, in such Co-Administrative Agent's or the Administrator's reasonable determination, inadequate, such Co-Administrative Agent or the Administrator, as the case may be, may call for additional indemnification from the Banks and cease to do the acts indemnified against hereunder until such additional indemnity is given.

Section 8.9. Non-Reliance on Co-Administrative Agents and the Administrator; Assignment.

(a) Each Bank hereby represents that it has made its own independent investigation with respect to the creditworthiness and financial condition of the Company and its Subsidiaries and has not relied upon any statement or document furnished to it by any Co-Administrative Agent or the Administrator, or any warranty, either express or implied, by any Co-Administrative Agent or the Administrator. Each Bank also acknowledges that it will, independently of each of the Co-Administrative Agents, the Administrator and each other Bank, and based on such other documents, information and investigations as it shall deem appropriate at any time, continue to make its own credit decisions as to exercising or not exercising from time to time any rights and privileges available to it under this Agreement or any of the other Credit Documents.

(b) Each Bank further represents and warrants that it is entering into this Agreement for investment purposes and not with the present intention of distribution or resale. Except as permitted by Section 10.5 below, no Bank may assign its Commitment and/or obligations hereunder without the prior consent of the Co-Administrative Agents and the Company and any such transfers must comply with all applicable laws.

Section 8.10. Successor Administrator. The Administrator may resign at any time by giving written notice thereof to the Banks and the Company, which resignation shall be effective upon the appointment of a successor Administrator. A successor Administrator shall be appointed upon a vote of the Majority Banks. Upon the acceptance of any appointment as Administrator hereunder by a substitute or successor Administrator, such substitute or successor Administrator shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the

retiring Administrator, and the retiring Administrator shall be discharged from its duties and obligations under this Agreement from the date of its resignation as specified in such notice, but such resignation shall not discharge the Administrator from any liability incurred in the discharge of its duties hereunder before such resignation.

Section 8.11. Action by the Administrator. Except as otherwise provided in this Agreement, the Administrator will take such action, assert such rights and pursue such remedies under this Agreement, the Notes and any of the other Credit Documents as the Majority Banks shall direct and as it shall be entitled to do so. Except as otherwise expressly provided in this Agreement, the Administrator will not (and will not be obligated to) take any action, assert any rights or pursue any remedies under this Agreement or any of the Notes or any of the other Credit Documents in violation or contravention of any express direction or instruction of the Majority Banks. The Administrator may refuse (and will not be obligated) to take any action, assert any rights or pursue any remedies under this Agreement or any of the Notes or any of the other Credit Documents without the express written direction and instruction of the Majority Banks. No Bank (other than the Administrator, acting in its capacity as such) shall be entitled to take any action of any kind under this Agreement or any Note or any of the other Credit Documents, other than to enforce payment of amounts due and payable hereunder or under any Note issued to such Bank.

Section 8.12. Substitution of Banks. (a) Within thirty (30) days after any Bank has been unable, for any reason, to fund any Loan requested in accordance with the terms hereof (and to which the Company is entitled under the terms hereof) (such Bank is hereinafter referred to as an "Affected Bank"), the Company may request the non-Affected Banks to acquire all or any portion of such Affected Bank's Advances and to assume all or such portion of such Affected Bank's Commitment. The non-Affected Banks may elect to acquire less than, or none of, the amount of such Affected Bank's outstanding Advances and to assume less than, or none of, the amount of the Affected Bank's Commitment that the Company requested be acquired and be assumed. If the non-Affected Banks do not elect to acquire or assume all of such Affected Bank's outstanding Advances and Commitment, and with the written consent (such consent not to be unreasonably withheld) of non-Affected Banks constituting the Majority Banks, the Company may designate a replacement lender or lenders to acquire and assume all or any portion of the Advances and Commitment of the Affected Bank not being acquired and assumed by the non-Affected Banks, subject to the requirement that no such replacement lender may have a Commitment of less than \$5,000,000.

(b) If one or more non-Affected Banks shall so agree in writing or if the Company designates a replacement lender or lenders in respect of all or a portion of the outstanding Advances of the Affected Bank, such non-Affected Bank or Banks and/or such replacement lender or lenders shall purchase such Advances or portion, without recourse to or warranty by (other than a warranty from the Affected Bank as to the principal amount of the Advances being purchased), or expense to, such Affected Bank, and such Affected Bank shall sell such Advances, for a purchase price equal to the outstanding principal amount of the Advances of such Affected Bank, in each case in such proportions as the non-Affected Banks, the replacement lenders and the Company shall agree, in the same mixture of the Eurodollar Loans, Domestic Loans and Bid Auction Advances as all the outstanding Advances of the Affected Bank, and on a date mutually acceptable to the parties. Such Affected Bank's Commitment shall be allocated among such non-Affected Banks and/or such replacement lender or lenders in proportion to their acquisition of the Affected Bank's Advances. All interest on and all other fees payable on (including, without limitation, any payment or indemnification due under Section 1.15) Advances being acquired by the non-Affected Banks and any replacement lender or lenders accrued as of the date of such acquisition shall be paid by the Company to the Affected Bank on the date of such acquisition.

(c) If all of an Affected Bank's outstanding Commitment is acquired and assumed by a non-Affected Bank or a replacement bank, the Affected Bank shall be considered to be released from its obligations related to the assumed Commitment and shall no longer constitute a Bank for the purposes of this Agreement.

(d) Upon completing any purchase pursuant to this Section 8.12 and upon executing a counterpart of this Agreement, each replacement lender shall become a Bank hereunder.

(e) If the non-Affected Banks and any replacement lender(s) are only willing to acquire less than all of the Affected Bank's outstanding Advances, the Commitment of the Affected Bank shall not terminate, but shall be reduced in an amount proportionate to the percentage of its Advances being acquired and the Affected Bank shall continue to be a Bank hereunder with a reduced Commitment.

(f) The Company shall have no obligation to seek a replacement lender or take any other action under this Section, and any failure on the part of an Affected Bank to fund any Advances, unless otherwise excused hereunder, shall be deemed to be a breach of this Agreement on the part of such Bank.

ARTICLE IX
DEFINITIONS

Section 9.1. Accounting Terms, Changes in GAAP or FASB Standards. Unless otherwise defined, all accounting terms shall be construed, and all computations or classifications of assets and liabilities and of income and expenses shall be made or determined, on a consolidated basis in accordance with GAAP. If either GAAP or FASB Standards are changed in the future in such a way as to materially and adversely change the effect of the financial covenants and reporting requirements as presently contained in this Agreement, the Company and the Banks agree to negotiate in good faith to amend the relevant portions of this Agreement which are controlled or determined by the application of GAAP or FASB Standards, so that such relevant portions shall continue to afford to the Banks the same information, protections and covenants as provided and contained in this Agreement in its form on this date. The defined terms used in this Agreement shall apply equally to both the singular and the plural form of the terms defined. All references herein to Sections and clauses shall be deemed references to Sections and clauses of this Agreement unless the context shall otherwise require. Each reference herein to a particular Person (including each of the Banks) shall be deemed to include a reference to such Person's successors and permitted assigns. Whenever used in this Agreement, the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

Section 9.2. Other Definitions. As used herein, in the Notes and (unless otherwise provided therein) in each other Credit Document or in any certificate, document or report delivered pursuant to this Agreement, the following terms shall have the following meanings:

"Accumulated Funding Deficiency" shall have the meaning assigned to it in Section 302 of ERISA.

"Additional Costs" shall have the meaning assigned to such term in Section 1.14(a).

"Administrator" shall mean Fleet as the "Administrator" hereunder and any successor, transferee and assign thereof in such capacity.

"Administrator's Funding Office" shall mean the Administrator's office at Hartford, Connecticut, or such other office within the United States as the Administrator may from time to time designate by written notice to the Company and the Banks.

"Advances" shall mean, collectively, with respect to any Bank, any and all Loans and Bid Auction Advances made by such Bank pursuant to this Agreement.

"Agents' Fees" shall have the meaning assigned to such term in Section 1.11(c).

"Agreement" shall mean this Revolving Credit Agreement, as the same may from time to time be amended, supplemented or otherwise modified.

"Applicable Margin" shall mean a percentage based upon the highest of the then applicable credit ratings from either S&P or Moody's with respect to Public Senior Debt (whether or not any is outstanding) (and, with respect to determining any applicable margin for any Loans, based upon the Level of Usage) as follows:

Credit Rating		Facility Fee Applicable Margin	Base Rate Applicable Margin	LIBOR Applicable Margin (if (Level of Usage is 70.0% or less)	LIBOR Applicable Margin (if Level of Usage is greater than 70.0%)
S&P	Moody's				
A- or higher	A3 or higher	0.125%	0.00%	0.275%	0.375%
BBB+	Baa1	0.150%	0.00%	0.300%	0.400%
BBB	Baa2	0.175%	0.00%	0.375%	0.475%
BBB-	Baa3	0.225%	0.00%	0.425%	0.525%
BB+ or below	Ba1 or below	0.300%	0.25%	0.700%	0.800%

provided, that if at any time any Public Senior Debt is not rated by either of S&P or Moody's, such Public Senior Debt shall, for purposes of this definition, be deemed to have been rated one level above the highest rating ascribed to the Company's Subordinated Debt by S&P or Moody's; provided, further, that if at any time

neither the Subordinated Debt nor the Public Senior Debt of the Company is rated by either of S&P or Moody's, or if at any time neither of S&P nor Moody's is in the business of rating debt securities such as the Company's Subordinated Debt or Public Senior Debt, then the Company and the Banks shall enter into good faith negotiations to establish an alternate basis for determining the Applicable Margin, either with reference to credit ratings from an alternative rating agency for any of the Subordinated Debt or Public Senior Debt or on some other basis mutually acceptable to the Company and the Banks; provided further, however, that until such an alternate basis for determining the Applicable Margin is established, the Applicable Margin shall be the Applicable Margin in effect immediately prior to such occurrence. The Company covenants and agrees with each of the Co-Administrative Agents and the Banks to at all times use its best efforts to cause S&P and Moody's to issue credit ratings (either publicly or in the form of letters to the Co-Administrative Agents) for its Public Senior Debt and/or its Subordinated Debt (whether or not any such Public Senior Debt or Subordinated Debt is outstanding).

"Assignment and Acceptance" shall mean an assignment and acceptance agreement, in or substantially in the form of Exhibit H attached hereto, entered into by a Bank and an assignee of such Bank pursuant to Section 10.5, and accepted by the Company and the Co-Administrative Agents.

"Banks" shall have the meaning assigned to such term in the preamble to this Agreement.

"Base Rate" shall mean, with respect to all Domestic Loans, a fluctuating rate of interest per annum equal to the higher of (i) the rate interest most recently announced by the Administrator at the Administrator's Funding Office as its prime rate for dollar loans, and (ii) the interest rate quoted to the Administrator for the purchase of overnight federal funds by brokers of recognized standing plus one-half of one percentage point (1/2 of 1%).

The Base Rate is not necessarily intended to be the lowest rate of interest determined by the Administrator in connection with extensions of credit. Changes in the rate of interest on that portion of any Domestic Loans maintained as Base Rate Loans will take effect simultaneously with each change in the Administrator's prime rate.

"Bid Auction Acceptance" shall mean a notice delivered by the Company to any Bank or Banks pursuant to Section 1.4(d), substantially in the form of Exhibit F hereto.

"Bid Auction Advance" and "Bid Auction Advances" shall mean an advance made to the Company by any or all of the Banks pursuant to the terms of Section 1.4.

"Bid Auction Borrowing" shall mean a borrowing under Section 1.4 consisting of one or more Bid Auction Advances made by each of the Banks whose offer to make a Bid Auction Advance as part of such borrowing has been accepted by the Company under the auction bidding procedure described in Section 1.4(d).

"Bid Auction Election Notice" shall mean a notice delivered to the Administrator pursuant to Section 1.4(b), substantially in the form of Exhibit D hereto.

"Bid Auction Note" and "Bid Auction Notes" shall have the respective meanings assigned to such terms in Section 1.4(j).

"Bid Auction Offer" shall mean a notice delivered by any Bank to the Company pursuant to Section 1.4(c), substantially in the form of Exhibit E hereto.

"Business Day" shall mean, with respect to Eurodollar Loans, any day on which commercial banks are open for domestic and international dealings in Dollar deposits in Hartford, Connecticut, New York, New York, Boston, Massachusetts and London, England and, with respect to any other Loans or any Bid Auction Advances or any other matters, any day other than a day on which commercial banks in Hartford, Connecticut, Boston, Massachusetts, and New York, New York, are required or permitted by law to close.

"Change in Control" shall mean the acquisition of more than fifty percent (50%) of the Company's voting stock by any Person who is not affiliated with, a member of, or a nominee of the Company's management, the Kaman family or any trust, corporation, or other legal entity established by or for the benefit of such affiliated Person.

"Co-Administrative Agent" and "Co-Administrative Agents" shall have the respective meanings ascribed to such terms in the preamble of this Agreement.

"Code" shall mean the Internal Revenue Code of 1986 and all rules and regulations promulgated pursuant thereto, as the same may from time to time be supplemented or amended.

"Commitment" and "Commitments" shall have the respective meanings assigned to such terms in Section 1.1 hereof.

"Company" shall have the meaning assigned to such term in the preamble of this Agreement.

"Consolidated Net Income" shall mean the Company's consolidated net income as determined under GAAP.

"Consolidated Net Worth" shall mean the Company's consolidated shareholders equity (including any and all Qualifying Preferred Stock) as determined under GAAP.

"Consolidated Total Indebtedness" shall mean, as of any date, any Indebtedness of the Company or any Subsidiary, other than any Indebtedness of the Company to any wholly-owned Subsidiary or of any wholly-owned Subsidiary to the Company or any other wholly-owned Subsidiary.

"Consolidated Tangible Assets" shall mean the Company's consolidated assets, excluding all Intangible Assets.

"Contingent Liabilities" shall mean any liability, indebtedness or obligation of the type described in or contemplated by Section 5.3.

"Controlled Group" shall mean all trades or businesses (whether or not incorporated) under common control which, together with the Company or any Subsidiary, are treated as a single employer under Section 414(b) or 414(c) of the Code or Section 4001 of ERISA.

"Credit Documents" means (i) this Agreement, the Notes, each Subsidiary Guarantee, each Revolving Credit Election Notice, each Bid Auction Election Notice, each Bid Auction Acceptance and each other agreement, certificate, document or instrument delivered in connection with this Agreement and (ii) any agreements or instruments pursuant to which the Obligations of the Company or any other Obligor under this Agreement, any of the Notes or any of the Subsidiary Guarantees are refunded, refinanced or replaced (in whole or in part) from time to time, as such agreements, certificates, documents and instruments referred to in clauses (i) and (ii) of this definition may from time to time be amended, supplemented, restated, renewed or otherwise modified.

"Default" shall mean any event which, but for the giving of notice or the lapse of time, or both, would constitute an Event of Default.

"Dollar", "Dollars" and the sign "\$" shall mean lawful money of the United States of America.

"Domestic Loan" shall mean all or any portion of any Loan made hereunder which bears interest based on the Base Rate.

"Effective Date" shall mean January 29, 1996.

"Environmental Laws" shall mean any and all Requirements of Law regulating, relating to or imposing liability or standards or conduct concerning, any Hazardous Substances or environmental protection.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974 and all rules and regulations promulgated pursuant thereto, as the same may from time to time be supplemented or amended.

"Eurodollar Loan" shall mean all or any portion of any Loan made hereunder which bears interest based on LIBOR.

"Event of Default" and "Events of Default" shall have the respective meanings assigned to such terms in Section 7.1.

"Existing Credit Agreements" shall mean (collectively) the Amended and Restated Credit Agreement, dated as of July 15, 1994, as amended, among the Company, Scotiabank, ABN AMRO Bank N.V., Societe Generale and Scotiabank as agent and the Second Amended and Restated Revolving Credit Agreement, dated as of July 15, 1994, as amended, among the Company, The Shawmut Bank of Connecticut, as agent and the other lenders named therein.

"Facility Fee" and "Facility Fees" shall have the respective meanings assigned to such terms in Section 1.11(a).

"FASB Standards" shall mean the standards established by the Financial Accounting Standards Board, in effect from time to time.

"Fee" and "Fees" shall mean any and all Upfront Fees, Facility Fees and/or Agents' Fees.

"Foreign Bank" shall have the meaning assigned to such term in Section 1.10(b).

"F.R.S. Board" shall mean the Board of Governors of the Federal Reserve System or any successor thereto.

"GAAP" shall mean generally accepted accounting principles, as in effect from time to time, applied on a consistent basis.

"Governing Documents" shall mean as to any Person, the articles or certificate of incorporation and by-laws or other organizational documents of such Person, as amended.

"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof, and any entity exercising any executive, legislative, judicial, regulatory, or administrative functions of or pertaining to government.

"Guarantee" shall mean, in relation to any Person, any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any liabilities of any other Person in any manner, whether directly or indirectly.

"Hazardous Substances" shall mean any hazardous waste, substances or materials, any pollutants or contaminants, any toxic substances, and any other substances regulated by any Environmental Laws.

"Indebtedness" shall mean, in relation to any Person, without duplication: (a) all obligations of such Person for borrowed money; (b) all obligations of such Person evidenced by bonds, debentures or notes or similar instruments which (in the case of such similar instruments only) are held by financial institutions; (c) all obligations of such Person upon which interest charges are customarily paid, excluding trade indebtedness incurred in the ordinary course of business; (d) all obligations of such Person issued or assumed as the deferred purchase price of property (other than trade indebtedness incurred in the ordinary course of business); (e) all capitalized lease obligations of such Person; and (f) all obligations of such Person as an account party in respect of bankers' acceptances.

"Indemnified Party" and "Indemnified Parties" shall mean each of the Co-Administrative Agents, the Administrator, each of the Banks, each affiliate of any of the foregoing and the respective directors, officers, agents and employees of each of the foregoing, and each other person controlling any of the foregoing within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended.

"Intangible Assets" shall mean any and all goodwill, patents, patent applications, trademarks, trade names, trade styles, copyrights, all applications therefor, research and development costs, tax refunds, and all other assets of the Company and its Subsidiaries constituting intangible assets as determined by GAAP.

"Interest Period" shall mean:

(a) Eurodollar Loans. With respect to each Eurodollar Loan, the period commencing on the date of such Eurodollar Loan and ending 1, 3, or 6 months thereafter, as the case may be, as selected by the Company in compliance with this Agreement and as set forth in the applicable Election Notice.

(b) Bid Auction Advances. With respect to each Bid Auction Advance, the period commencing on the date of such Bid Auction Advance and ending not less than 7 days nor more than 180 days thereafter, as the Company and the lender of such Bid Auction Advance may agree, pursuant to Section 1.4.

"Level of Usage" shall mean, at any time, the ratio (expressed as a percentage) of (x) the aggregate amount of all Advances outstanding at such time, over (y) the Total Commitment, as then in effect.

"Liabilities" shall mean any and all losses, claims, damages, liabilities or other costs or expenses (including reasonable attorneys' and other professionals' fees and disbursements as and when incurred by such Indemnified Party) to which an Indemnified Party may become subject which arise out of or relate to or result from any transaction, action or proceeding related to or connected with this Agreement or any other Credit Document, excluding those losses, claims, damages, liabilities or other costs or expenses arising for the account of a particular Indemnified Party by reason of the relevant Indemnified Party's gross negligence, bad faith or wilful misconduct.

"LIBO Rate" shall mean, with respect to each Interest Period for a Eurodollar Loan, the rate per annum at which deposits in Dollars (for a period substantially equal to the period of such Interest Period and in an amount substantially equal to the principal amount of such Eurodollar Loan) are offered to the Administrator for delivery in the LIBOR Market at or about 11:00 A.M., local time two Business Days prior to the first day of such Interest Period.

"LIBOR" shall mean, relative to any Loan to be made, continued or maintained as, or converted into, a Eurodollar Loan for any Interest Period, a rate per annum (rounded upwards, if necessary, to the nearest 1/16 of 1%) determined pursuant to the following formula:

$$\begin{array}{lcl} \text{LIBOR} & & \text{LIBO Rate} \\ \text{(or "LIBO Rate"} & = & \text{-----} \\ \text{(Reserve Adjusted"))} & & 1.00 - \text{LIBOR Reserve Percentage} \end{array}$$

LIBOR for any Interest Period for Eurodollar Loans will be determined by the Administrator on the basis of the LIBOR Reserve Percentage in effect on, and the applicable rates furnished to and received by the Administrator, two Business Days before the first day of such Interest Period.

"LIBOR Reserve Percentage" shall mean, relative to any Interest Period for Eurodollar Loans, the reserve percentage (expressed as a decimal) equal to the maximum aggregate reserve requirements (including all basic, emergency, supplemental, marginal and other reserves and taking into account any transitional adjustments or other scheduled changes in reserve requirements) specified under regulations issued from time to time by the F.R.S. Board and then applicable to assets or liabilities consisting of and including "Eurocurrency Liabilities", as currently defined in Regulation D of the F.R.S. Board, having a term approximately equal or comparable to such Interest Period.

"LIBOR Market" shall mean the London interbank market, or (with the prior consent of the Company and each of the Banks) any other lawful offshore market in which deposits of Dollars are offered by foreign branches of United States banking institutions and by foreign banking institutions to each other.

"Lien" shall mean any mortgage, pledge, hypothecation, security interest, encumbrance, charge or lien (statutory or otherwise) in respect of an interest in property intended to secure, support or otherwise assure payment of an obligation.

"Loan" or "Loans" shall mean any and all Revolving Credit Loans.

"Majority Banks" shall mean (a) as of any date on which the Commitments shall be in effect and shall not have been terminated under the terms hereof, Banks whose aggregate Commitments constitute at least 66 2/3% of the Total Commitment and (b) as of any date after the date on which the Commitments shall have been terminated, Banks holding at least 66 2/3% of the outstanding principal amount of the Loans and Bid Auction Advances outstanding on such date.

"Material Adverse Effect" shall mean any of the following: (a) any materially adverse effect on the business, assets, properties, operations, prospects or condition, financial or otherwise, of the Company and its Subsidiaries taken as a whole; (b) any material impairment of the ability of the Company to perform any of its obligations under this Agreement, the Notes or any other Credit Document; (c) any impairment of the ability of any Obligor to

perform any of its obligations under any Subsidiary Guarantee which impairment would either (i) have a material adverse effect on the obligations of all the Obligor (other than the Company), when taken together as a whole, or (ii) result in non-compliance with Section 4.10; or (d) any impairment of the validity or enforceability of this Agreement, the Notes or any Subsidiary Guarantee or any of the rights, remedies or benefits to either of the Co-Administrative Agents, the Administrator or the Banks under this Agreement, the Notes, any Subsidiary Guarantee or any other Credit Document.

"Maturity Date" shall have the meaning assigned to such term in Section 1.1.

"Moody's" shall mean Moody's Investors Service, Inc.

"Note" or "Notes" shall mean any and all of a Revolving Credit Note, the Revolving Credit Notes, a Bid Auction Note or the Bid Auction Notes.

"Obligations" shall mean all indebtedness, obligations and liabilities existing on the date of this Agreement or arising from time to time thereafter, whether direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, of the Company and each other Obligor to either of the Co-Administrative Agents, the Administrator or any of the Banks (a) in respect of Loans or Bid Auction Advances made to the Company by any of the Banks pursuant to this Agreement, or (b) arising or incurred under or in respect of this Agreement, any of the Notes or any of the other Credit Documents.

"Obligor" and "Obligors" shall mean the Company or any Subsidiary of the Company obligated under any Credit Document.

"Operating Profit" for any fiscal period shall mean the Company's consolidated operating profit as determined on a consolidated basis by the application of GAAP, but excluding interest expense and interest income, special items such as gains or losses on sales of assets, all taxes on income, any extraordinary or special items reported net of taxes, and all other items required by GAAP to be reported as non-operating income.

"PBGC" shall mean the Pension Benefit Guaranty Corporation.

"Person" shall mean any individual, corporation, association, partnership, trust, unincorporated association, business, or other legal entity, and any government or any governmental agency or political subdivision thereof.

"Plan" shall mean any employee benefit plan or other plan maintained for employees covered by Title 10 of ERISA.

"Prohibited Transaction" shall have the meaning assigned to such term in Section 4975 of the Code.

"Public Senior Debt" shall mean long-term, publicly held senior indebtedness of the Company (whether or not outstanding).

"Qualifying Preferred Stock" shall mean any issued and outstanding preferred stock of the Company with respect to which no mandatory redemption or repurchase is or could be required of the Company or any of its Subsidiaries prior to the Maturity Date.

"Real Estate" means any real estate owned or operated by the Company or any of its Subsidiaries.

"Register" shall have the meaning assigned to such term in Section 10.5(d).

"Reportable Event" shall have the meaning assigned to such term in Section 4034 of ERISA.

"Requirement of Law" shall mean as to any Person, (i) the Governing Documents of such Person, and (ii) any law, treaty, rule or regulation or determination of any arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Revolving Credit Election Notice" shall mean a notice delivered to the Administrator pursuant to clause (a) of Section 1.3, substantially in the form of Exhibit C hereto.

"Revolving Credit Loan" and "Revolving Credit Loans" shall mean any Loan made hereunder pursuant to Section 1.1.

"Revolving Credit Note" or "Revolving Credit Notes" shall have the respective meanings assigned to such terms in Section 1.3.

"S&P" shall mean Standard & Poor's Ratings Group, a division of McGraw Hill, Inc.

"SEC" shall mean the Securities and Exchange Commission.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Securities Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Senior Debt" means, collectively, all obligations of the Company under or in respect of the Credit Documents, including all such obligations in respect of principal, interest (including interest accruing after any bankruptcy or insolvency proceeding is commenced by or against the Company, whether or not such interest is an allowed claim in such proceeding), fees, costs, expenses or indemnities owing under any of the Credit Documents.

"Subordinated Debt" means (i) any Indebtedness of the Company under the Indenture, dated as of February 4, 1987, between the Company and Manufacturers Hanover Trust Company, as trustee, relating to the \$85,000,000 (subject to increase to \$95,000,000) principal amount of 6% Convertible Subordinated Debentures of the Company due 2012 and (ii) any Indebtedness of the Company not described in the foregoing clause (i) which is expressly subordinated to all Senior Debt on terms not materially less favorable to the holders of Senior Debt than the terms of subordination of the Indebtedness described in clause (i) of this definition.

"Subsidiary" and "Subsidiaries" shall mean any corporation or corporations of which more than 50% of the outstanding shares of stock of each class having ordinary voting power is at the time owned by the Company and/or by one or more Subsidiaries.

"Subsidiary Guarantee" shall mean each Subsidiary Guarantee executed and delivered by a Subsidiary of the Company to each of the Co-Administrative Agents and the Banks pursuant to Section 3.1(a) or Section 4.10 of this Agreement, substantially in the form of Exhibit I hereto, as amended, supplemented, amended and restated or otherwise modified from time to time.

"Subsidiary Guarantor" shall mean any Subsidiary of the Company which (i) has executed a Subsidiary Guarantee pursuant to Section 3.1 on the Effective Date or (ii) is required to execute a Subsidiary Guarantee in accordance with Section 4.10 of this Agreement.

"Termination Date" shall mean the date all the Obligations then due and payable have been paid in full and all the Commitments have terminated.

"Total Capitalization" means the aggregate amount at any time of the Company's Consolidated Net Worth plus the Company's Consolidated Total Indebtedness.

"Total Commitment" shall have the meaning assigned to such term in Section 1.1.

"Upfront Fees" shall have the meaning assigned to such term in Section 1.11(b).

ARTICLE X MISCELLANEOUS

The covenants set forth in this Article X shall survive the delivery of the Notes and any Advances made hereunder.

Section 10.1. Expenses. The Company agrees to pay all out-of-pocket expenses of each of the Co-Administrative Agents (including reasonable fees and expenses of counsel to the Co-Administrative Agents), the Administrator (including reasonable fees and expenses of counsel to the Administrator) and the Banks (including reasonable fees and expenses of counsel to the Banks) incurred in connection with: (i) the collection of Obligations due hereunder, under the Notes or any of the other Credit Documents, and/or (ii) the defense, protection, preservation, realization or enforcement of any of the rights or remedies of any of the Co-Administrative Agents, the Administrator or any of the Banks under any provisions of this Agreement, any of the Notes or under any of the other Credit Documents, and/or (iii) the syndication of the Loans and/or (iv) except to the extent such action, suit or proceeding arose as a result of the gross negligence, bad faith or wilful misconduct of such Co-Administrative Agent or the Administrator or such Bank, any action, suit or proceeding in accordance with this Section 10.1 (whether or not an Indemnified Party is a party or is subject thereto); provided that no fees and expenses of counsel for the Banks (other than the Co-Administrative Agents and the Administrator) shall be payable by the Company unless incurred after an Event of Default has occurred.

Section 10.2. Prejudgment Remedy Waiver; Other Waivers. THE COMPANY ACKNOWLEDGES THAT THE FINANCING EVIDENCED HEREBY IS A COMMERCIAL TRANSACTION AND WAIVES ITS RIGHTS TO NOTICE AND HEARING UNDER CHAPTER 903A OF THE CONNECTICUT GENERAL STATUTES, OR AS OTHERWISE ALLOWED BY ANY STATE OR FEDERAL LAW WITH RESPECT

TO ANY PREJUDGMENT REMEDY WHICH ANY CO-ADMINISTRATIVE AGENT, THE ADMINISTRATOR OR ANY BANK MAY DESIRE TO USE, AND FURTHER WAIVES DILIGENCE, DEMAND, PRESENTMENT FOR PAYMENT, NOTICE OF NONPAYMENT, PROTEST AND NOTICE OF ANY RENEWALS OR EXTENSIONS. THE COMPANY ACKNOWLEDGES AND RESERVES ITS RIGHT TO NOTICE AND A HEARING SUBSEQUENT TO THE ISSUANCE OF A WRIT FOR PREJUDGMENT REMEDY AS AFORESAID AND THE CO-ADMINISTRATIVE AGENTS, THE ADMINISTRATOR AND THE BANKS ACKNOWLEDGE THE COMPANY'S RIGHT TO SAID HEARING SUBSEQUENT TO THE ISSUANCE OF SAID WRIT.

Section 10.3. Covenants to Survive; Binding Agreement. All covenants, agreements, warranties, representations and statements of the Company made herein, in the Notes, in any of the other Credit Documents or in any certificates or other documents delivered by or on behalf of the Company pursuant hereto shall be deemed to have been relied on by each of the Co-Administrative Agents and each of the Banks notwithstanding any investigation heretofore or hereafter made by it, and shall survive the advances of money made by any Bank to the Company hereunder, the delivery of the Notes, and each of the other Credit Documents and all such covenants, agreements, warranties and representations shall be binding upon the Company and inure to the benefit of the Bank(s) and their respective successors and assigns, whether or not so expressed.

Section 10.4. Amendments and Waivers. Neither this Agreement, the Notes, or any of the other Credit Documents, nor any term, covenant or condition hereof or thereof may be changed, waived, discharged, modified or terminated except by a writing executed in compliance with Section 8.7. No failure on the part of any of the Co-Administrative Agents, the Administrator or any of the Banks to exercise, and no delay in exercising, and no course of dealing with respect to, any right, remedy or power hereunder, under any Note, or under any other Credit Document shall preclude any other or future exercise thereof, or the exercise of any other right, remedy or power. No waiver shall extend to or affect any obligation not expressly waived.

Section 10.5. Transfer of Bank's Interest.

(a) To the extent set forth in this Section 10.5, the Company hereby agrees that any of the Banks may sell, assign or otherwise transfer all or any portion of its interests, rights and obligations under this Agreement or, any of the Notes (including all or a portion of its Commitment and the Advances at any time owing to it and the Note or Notes held by it), on the condition that in any such transfer: (i) the transferee be bound to any confidentiality obligations the transferring Bank owes to the Company; and (ii) the transferring Bank make the transfer in compliance with this Section 10.5.

(b) Each Bank may, with the consent (which consent will not be unreasonably withheld or delayed) of the Company and each of the Co-Administrative Agents, assign to one or more banks or other financial institutions all or a portion of its interests, rights and obligations under this Agreement or any of the Notes (including all or a portion of its Commitment and the Advances at the time owing to it and the Note or Notes held by it); provided, however, that (i) the amount of the Commitment and Advances of the assigning Bank subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Co-Administrative Agents) shall not be less than \$5,000,000, and (ii) the parties to each such assignment shall execute and deliver to each Co-Administrative Agent an Assignment and Acceptance, together with the Notes subject to such assignment and a processing and recordation fee of \$2,500 payable to the Administrator. Upon acceptance and recording pursuant to clause (e) of this Section 10.5, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be at least five (5) Business Days after the execution thereof, (A) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Bank under this Agreement (which obligations shall in any event include all obligations from which the assigning Bank is released as provided in such Assignment and Acceptance) and (B) the assigning Bank thereunder shall to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto but shall continue to be

entitled to the benefits of Sections 1.15, 1.16, 10.1 and 10.9). Notwithstanding the foregoing, any Bank may assign, without the consent of the Company or the Co-Administrative Agents, (x) all of its rights and interests in respect of any Bid Auction Advance to any person, without payment of the processing and recordation fee referred to above in this clause (b), and (y) all or a portion of its interests, rights and obligations under this Agreement or any of the Notes (including all or a portion of its Commitment and the Advances at the time owing to it and the Note or Notes held by it) to any affiliate of such Bank; provided that no such assignment to any affiliate of any Bank pursuant to the foregoing clause (y) shall relieve such assigning Bank of its obligations hereunder unless the Company shall have consented to such assignment (it being understood that the Company's consent shall not be unreasonably withheld or delayed).

(c) By executing and delivering an Assignment and Acceptance, the assigning Bank thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty by the assigning Bank that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any lien or security interest, neither such assigning Bank, nor any Co-Administrative Agent, nor the Administrator, nor any other Bank makes any representation or warranty or assumes any responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any of the Notes, any of the other Credit Documents or any other instrument or document furnished pursuant hereto; (ii) neither such assigning Bank, nor any Co-Administrative Agent, nor the Administrator, nor any other Bank makes any representation or warranty or assumes any responsibility with respect to the financial condition of the Company or any of its Subsidiaries or the performance or observance by the Company of any of its obligations under this Agreement, any of the Notes, any other Credit Document or any other instrument or document furnished pursuant hereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements delivered pursuant to Section 4.1 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will independently and without reliance upon any Co-Administrative Agent, such .

assigning Bank, the Administrator or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and any Notes payable to it or under any other Credit Document; (v) such assignee appoints each of the Co-Administrative Agents as Co-Administrative Agent for it and appoints and authorizes the Administrator to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrator by the terms hereof, together with such powers as are reasonably incidental thereto; and (vi) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Bank.

(d) The Administrator shall maintain at one of its offices in Hartford, Connecticut a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Banks, and the Commitment of, and the principal amount of the Loans and Bid Auction Advances owing to, each Bank pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive in the absence of manifest error and the Company, each of the Co-Administrative Agents, the Administrator and each of the Banks may treat each person whose name is recorded in the Register pursuant to the terms hereof, as a Bank hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Company and any Bank, at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon the Administrator's receipt of a duly completed Assignment and Acceptance executed by an assigning Bank and an assignee, and accepted by the Company and each of the Co-Administrative Agents, together with each Note subject to such assignment and the processing and recording fee referred to in clause (b) above, the Administrator shall record the information contained therein in the Register. Within five (5) Business Days after receipt of notice, the Company, at its own expense, shall execute and deliver to the Administrator, in exchange for such surrendered Note, a new Note to the order of such assignee in a principal amount equal to the applicable Commitment and Loans assumed by it pursuant to such Assignment and Acceptance and, if the assigning Bank has retained a Commitment and Loans, a new Note to the order of such assigning Bank in a principal amount equal to the applicable Commitment and Loans retained by it. Such new Notes shall be in an aggregate principal amount equal to the principal amount of such surrendered Note; such new Notes shall be dated the date of the surrendered Note which it replaces. Cancelled Notes shall be returned to the Company.

(f) Each Bank may (without the consent of the Company or any Co-Administrative Agent) sell participations to one or more banks or other financial institutions ("Participants") in all or any part of its rights and obligations under this Agreement and the Note or Notes held by it (including all or a portion of its Commitment and the Advances owing to it); provided, however, that (i) such Bank's obligations under this Agreement shall remain unchanged, (ii) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) Participants shall be entitled to the benefit of the cost protection provisions contained in Section 1.14 and Section 1.15 but shall not be entitled to receive any greater payment thereunder than the Bank from which such Participant acquired its participation would be entitled to receive with respect to the interest so sold if such interest had not been sold and (iv) the Company, each of the Co-Administrative Agents, the Administrator and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement, and such Bank shall retain the sole right to enforce the obligations of the Company relating to the Loans and Bid Auction Advances and to approve any amendment, modification or waiver of any provision of this Agreement. Except as provided herein, no Participant shall have any rights under this Agreement (each Participant's rights against the Bank in respect of such participation to be those set forth in the agreement executed by such Bank in favor of such Participant) and all amounts payable by the Company shall be determined as if such Bank had not sold such participation. Except with respect to a reduction of interest rate, increases in the principal amount of any Bank's Commitment, a reduction of the amount of any Fees or the principal amount of any Advance without payment in full thereof, an extension of scheduled dates for payment of principal, interest, Fees or scheduled termination dates, or the amendment or modification of any Subsidiary Guarantee (or release of any Subsidiary from its obligations thereunder), the Bank making any participation will not in any agreement with the Participant restrict such participating Bank's ability to make any modification, amendment or waiver to this Agreement.

(g) The Company shall not assign or delegate any of its rights or duties hereunder, except pursuant to a merger of the Company with and into a domestic Subsidiary in compliance with Section 5.4.

(h) Nothing herein shall prohibit any Bank from pledging or assigning any Note to any Federal Reserve Bank in accordance with applicable law.

Section 10.6. Notices. Except as otherwise permitted herein, all notices, requests, consents, demands and other communications hereunder shall be in writing and shall be mailed by first class mail or sent by overnight courier or delivered in hand or sent by telegraph or facsimile transmission to the respective parties to this Agreement as follows:

The Company: Kaman Corporation
Blue Hills Avenue
Bloomfield, Connecticut 06002

Attention: Robert M. Garneau
Executive Vice President &
Chief Financial Officer

Facsimile No: (860) 243-7922

The Co-
Administrative
Agents: The Bank of Nova Scotia
101 Federal Street
Boston, Massachusetts 02110

Attention: Stephen Johnson

Facsimile No: (617) 951-2177

Fleet National Bank of Connecticut
777 Main Street MSN 203
Hartford, Connecticut 06115

Attention: Jeff Lynch

Facsimile No: (860) 986-9378

The
Administrator: Fleet National Bank of Connecticut
777 Main Street MSN 203
Hartford, Connecticut 06115

Attention: Jeff Lynch

Facsimile No: (860) 986-9378

Each of the
Banks: As set forth below such Bank's signature hereto.

Notices hereunder shall be deemed to have been given when (a) if delivered by hand or telecopied or otherwise telecommunicated, to a responsible officer of the party to which it is directed, at the time of receipt thereof by such officer, (b) if sent by registered or certified mail, postage prepaid, three days after the date when mailed, or (c) if sent by overnight mail or overnight courier service, to such a responsible officer, when received by such officer. With respect to notices given by the Company to the Administrator pursuant to Section 1.3, 1.4, 1.5 or 1.8 hereof, such notices may be given by telephone if they are confirmed by a writing received by the Administrator within one (1) Business Day after the giving of such telephonic notice and in any event prior to funding or conversion of the borrowing pursuant to Section 1.3, 1.4 or 1.5 or prepayment pursuant to Section 1.8.

Section 10.7. Headings; Severability: Entire Agreement. Section and subsection headings have been inserted herein for convenience only and shall not be construed as part of this Agreement. Every provision of this Agreement, the Notes and the other Credit Documents is intended to be severable; if any term or provision of this Agreement, the Notes, the other Credit Documents, or any other document delivered in connection herewith or therewith shall be invalid, illegal or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions hereof or thereof shall not in any way be affected or impaired thereby. All Exhibits and Schedules to this Agreement shall be annexed hereto and shall be deemed to be part of this Agreement. This Agreement, the other Credit Documents and the Exhibits and Schedules attached hereto embody the entire Agreement and understanding between the Company, the Banks, the Administrator and the Co-Administrative Agents and supersede all prior agreements and understandings relating to the subject matter hereof.

Section 10.8. Governing Law. This Agreement, the Notes, and each other Credit Document and all other documents contemplated hereby are being delivered, and are intended to be performed, in the State of Connecticut and shall be construed and enforceable in accordance with, and governed by, the laws of the State of Connecticut.

Section 10.9. Counterparts. This Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

Section 10.10. Waiver of Jury Trial. THE CO-ADMINISTRATIVE AGENTS, THE ADMINISTRATOR, THE BANKS, AND THE COMPANY HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR THE NOTES OR ANY OTHER CREDIT DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF ANY OF THE CO-ADMINISTRATIVE AGENTS, THE ADMINISTRATOR, ANY OF THE BANKS OR THE COMPANY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR EACH CO-ADMINISTRATIVE AGENT, THE ADMINISTRATOR AND EACH BANK TO BECOME A PARTY TO THIS AGREEMENT.

Section 10.11. Consent to Jurisdiction. For the purposes of any action or proceeding involving this Agreement or any of the Notes or any other Credit Document, each of the parties hereto on the date hereof hereby expressly consents to the exclusive jurisdiction of any Federal or state court located in Connecticut. Each party becoming a Bank hereunder after the date hereof pursuant to an Assignment and Acceptance shall, in such Assignment and Acceptance, consent to the exclusive jurisdiction of any Federal or state court located in Connecticut.

Section 10.12. Effective Date. This Agreement shall become effective among the parties hereto as of the Effective Date.

IN WITNESS WHEREOF, the parties hereto have caused this
REVOLVING CREDIT AGREEMENT to be executed by their duly authorized
officers as of the date first written above.

KAMAN CORPORATION

By:-----
Name:
Title:

THE BANK OF NOVA SCOTIA,
as a Co-Administrative Agent

By:-----
Name: T.M. Pitcher
Title: Vice President

FLEET NATIONAL BANK OF CONNECTICUT,
as a Co-Administrative Agent and
the Administrator

By:-----
Name: Jeffrey C. Lynch
Title: Vice President

BANKS

THE BANK OF NOVA SCOTIA

By

Name: T.M. Pitcher

Title: Vice President

Domestic

Office: 101 Federal Street
Boston, MA 02110

Facsimile No.: (617) 951-2177

Attention: S.M. Johnson
R.P. Reynolds

LIBOR

Office: 101 Federal Street
Boston, MA 02110

Facsimile No.: (617) 951-2177

Attention: S.M. Johnson
R.P. Reynolds

FLEET NATIONAL BANK OF CONNECTICUT

By

Name: Jeffrey C. Lynch
Title: Vice President

Domestic

Office: 777 Main St., CT MO 0203
Hartford, CT 06115

Facsimile No.: (860) 986-9378

Attention: Jeffrey C. Lynch

LIBOR

Office: 777 Main St., CT MO 0203
Hartford, CT 06115

Facsimile No.: (860) 986-9378

Attention: Jeffrey C. Lynch

NATIONSBANK, N.A.

By
Name:
Title:

Domestic
Office: NationsBank, N.A.
767 Fifth Avenue
5th Floor
New York, NY 10153

Facsimile No.: (212) 593-1083

Attention: Mr. Tom McCaskill
Ms. Barbara Agostini
NY1-003-05-01

LIBOR
Office: NationsBank, N.A.
100 N. Tryon Street
Charlotte, NC 28255

Facsimile No.: (704) 386-8694

Attention: Ms. Carole Greene
NC1-001-15-03

THE SUMITOMO BANK, LIMITED,
NEW YORK BRANCH

By
Name:
Title:

Domestic
Office: The Sumitomo Bank,
Limited, New York Branch
277 Park Avenue
New York, NY 10172

Facsimile No.: (212) 224-5188

Attention: Angelo Balestrieri

LIBOR
Office: The Sumitomo Bank,
Limited, New York Branch
277 Park Avenue
New York, NY 10172

Facsimile No.: (212) 224-5188

Attention: Angelo Balestrieri

ABN AMRO BANK N.V., BOSTON BRANCH

By
Name:
Title:

By
Name:
Title:

Domestic
Office: ABN AMRO Bank N.V.,
Boston Branch
One Post Office Square
39th Floor
Boston, MA 02109

Facsimile No.: (617) 988-7910

Attention: James E. Davis

LIBOR
Office: ABN AMRO Bank N.V.,
Boston Branch
One Post Office Square
39th Floor
Boston, MA 02109

Facsimile No.: (617) 988-7910

Attention: Kerry Silvius

THE FIRST NATIONAL BANK OF BOSTON

By

Name: Harvey H. Thayer, Jr.
Title: Director

Domestic

Office: 100 Federal St., 01-09-04
Boston, MA 02110

Facsimile No.: (617) 434-0637

Attention: Harvey H. Thayer, Jr.

LIBOR

Office: 100 Federal St., 01-10-07
Boston, MA 02110

Facsimile No.: (617) 434-4695

Attention: Larry Faccini

DEUTSCHE BANK AG, NEW YORK AND/OR
CAYMAN ISLANDS BRANCHES

By

Name: J. Tracy Mehr
Title: Vice President

By

Name: James Fox
Title: Assistant Vice President

Domestic

Office: Deutsche Bank AG, New York
Branch
31 West 52nd Street
New York, NY 10019

Facsimile No.: (212) 469-7880

Attention: Mr. Noble Samuel
Loan Administrator

LIBOR

Office: Deutsche Bank AG, Cayman
Islands Branch
c/o Deutsche Bank AG, New
York Branch
31 West 52nd Street
New York, NY 10019

Facsimile No.: (212) 469-7880

Attention: Mr. Noble Samuel
Loan Administrator

FIRST NATIONAL BANK OF CHICAGO

By

Name: Maria P. Ahern

Title: Agent

Domestic

Office: One First National Plaza

Suite 0634

Chicago, IL 60670

Facsimile No.: (312) 732-4840

Attention: Benjamin S. Oliva

LIBOR

Office: One First National Plaza

Suite 0634

Chicago, IL 60670

Facsimile No.: (312) 732-4840

Attention: Benjamin S. Oliva

MELLON BANK, N.A.

By

Name: Peyton R. Latimer
Title: Senior Vice President

Domestic

Office: Mellon Bank, N.A.
3 Mellon Bank Center
Room 153-2302
Pittsburgh, PA 15259

Facsimile No.: (412) 236-2028

Attention: Jacqueline Lucas
Loan Administrator

LIBOR

Office: Mellon Bank, N.A.
3 Mellon Bank Center
Room 153-2302
Pittsburgh, PA 15259

Facsimile No.: (412) 236-2028

Attention: Jacqueline Lucas
Loan Administrator

WACHOVIA BANK OF GEORGIA, N.A.

By

Name: Terence A. Snellings
Title: Senior Vice President

Domestic

Office: 191 Peachtree St. N.E.
Atlanta, GA 30303

Facsimile No.: (404) 332-6898

Attention: Tomeka Henry

LIBOR

Office: 191 Peachtree St. N.E.
Atlanta, GA 30303

Facsimile No.: (404) 332-6898

Attention: Tomeka Henry

FIRST UNION NATIONAL BANK OF
NORTH CAROLINA

By

Name: Mark M. Harden
Title: Vice President

Domestic

Office: First Union National Bank
of North Carolina
301 South College Street
Charlotte, NC 28288

Facsimile No.: (704) 374-2802

Attention: Ted Noneman

LIBOR

Office: First Union National Bank
of North Carolina
301 South College Street
Charlotte, NC 28288

Facsimile No.: (704) 374-2802

Attention: Ted Noneman

REVOLVING CREDIT NOTE

\$-----

January 29, 1996

FOR VALUE RECEIVED, the undersigned KAMAN CORPORATION, a Connecticut corporation (the "Company"), hereby absolutely and unconditionally promises to pay to the order of ----- (the "Bank"), at the Administrator's Funding Office:

(a) On the Maturity Date the principal amount of -----DOLLARS (\$) or, if less, the aggregate unpaid principal amount of all Revolving Credit Loans outstanding on the Maturity Date and made by the Bank to the Company pursuant to the Revolving Credit Agreement, dated as of January 29, 1996 (as the same is amended or otherwise modified and in effect from time to time, the "Credit Agreement"), among the Company, the various financial institutions (including the Bank) as are or may from time to time become parties thereto, and The Bank of Nova Scotia ("Scotiabank") and Fleet National Bank of Connecticut ("Fleet"), as the Co-Administrative Agents; and

(b) interest on the principal balance hereof from time to time outstanding from the date hereof through and including the date on which such principal amount is paid in full, at the times and at the rates provided in the Credit Agreement.

This Note evidences borrowings under and has been issued by the Company in accordance with the terms of the Credit Agreement, and is one of the Revolving Credit Notes referred to therein. The Bank and any other holder hereof are entitled to the benefits of the Credit Agreement and may enforce the agreements of the Company contained therein, and may exercise the respective remedies provided for thereby or otherwise available in respect thereof, all in accordance with the respective terms thereof.

All capitalized terms which are used in this Note without definition and which are defined in the Credit Agreement shall have the same meanings herein as in the Credit Agreement.

The Bank shall, and is hereby irrevocably authorized by the Company to, endorse on the schedule attached to this Note or a continuation of such schedule attached hereto and made a part hereof, an appropriate notation evidencing advances and

repayments of principal of this Note; provided, that failure by the Bank to make any such notations shall not affect any of the Company's obligations in respect of this Note.

The Company has the right in certain circumstances and the obligation in certain other circumstances to prepay the whole or part of the principal of this Note on the terms and conditions specified in the Credit Agreement.

If any one or more of the Events of Default shall occur and be continuing, the entire unpaid principal amount of this Note and all of the unpaid interest accrued thereon may become or be declared due and payable in the manner and with the effect provided in the Credit Agreement.

THE COMPANY ACKNOWLEDGES THAT THE FINANCING EVIDENCED BY THE CREDIT AGREEMENT AND THIS NOTE IS A COMMERCIAL TRANSACTION AND WAIVES ITS RIGHTS TO NOTICE AND HEARING UNDER CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES, OR AS OTHERWISE ALLOWED BY ANY STATE OR FEDERAL LAW WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH ANY AGENT MAY DESIRE TO USE.

Except as otherwise expressly provided in the Credit Agreement, the Company and every endorser and guarantor of this Note or the obligations represented hereby (including each of the Significant Subsidiaries parties to any of the Subsidiary Guarantees) waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note, assent to any extension or postponement of the time of payment of any amounts payable hereunder or under the Credit Agreement and any other indulgence in respect hereof or thereof.

This Note shall be construed in accordance with the laws of the State of Connecticut.

IN WITNESS WHEREOF, KAMAN CORPORATION has caused this REVOLVING CREDIT NOTE to be signed in its corporate name and its corporate seal to be impressed hereon by its duly authorized officer as of the day and year first above written.

KAMAN CORPORATION

[Corporate Seal]

By:
Name:
Title:

Attest:

Date	Interest Rate (Domestic/ Eurodollar)	Interest Period	Amount of Advance	Paid or Prepaid	Amount of Principal Balance of Principal Unpaid	Notation Made By
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

EXHIBIT B

BID AUCTION NOTE

\$250,000,000

January 29, 1996

FOR VALUE RECEIVED, the undersigned KAMAN CORPORATION, a Connecticut corporation (the "Company"), hereby absolutely and unconditionally promises to pay to the order of ----- (the "Bank"), at the Administrator's Funding Office:

(a) On the last day of each Interest Period for any Bid Auction Advance made by the Bank to the Company pursuant to the Revolving Credit Agreement, dated as of January 29, 1996 (as the same is amended or otherwise modified and in effect from time to time, the "Credit Agreement"), among the Company, the various financial institutions (including the Bank) as are or may from time to time become parties thereto, and The Bank of Nova Scotia ("Scotiabank") and Fleet National Bank of Connecticut ("Fleet"), as the Co-Administrative Agents thereunder, and on the Maturity Date, the principal amount of TWO HUNDRED FIFTY MILLION DOLLARS (\$250,000,000) or, if less, the aggregate unpaid principal amount of such Bid Auction Advance outstanding on such date; and

(b) interest on the principal amount of each Bid Auction Advance from time to time outstanding from the date such Bid Auction Advance is made through and including the date on which such principal amount is paid in full, at the times and at the rates provided in the Credit Agreement.

This Note evidences borrowings under and has been issued by the Company in accordance with the terms of the Credit Agreement, and is one of the Bid Auction Notes referred to therein. The Bank and any other holder hereof are entitled to the benefits of the Credit Agreement and may enforce the agreements of the Company contained therein, and may exercise the respective remedies provided for thereby or otherwise available in respect thereof, all in accordance with the respective terms thereof.

All capitalized terms which are used in this Note without definition and which are defined in the Credit Agreement shall have the same meanings herein as in the Credit Agreement.

The Bank shall, and is hereby irrevocably authorized by the Company to, endorse on the schedule attached to this Note or a continuation of such schedule attached hereto and made a part hereof, an appropriate notation evidencing advances and repayments of principal of this Note; provided, that failure by the Bank to make any such notations shall not affect any of the Company's obligations in respect of this Note.

The Company has the right in certain circumstances and the obligation in certain other circumstances to prepay the whole or part of the principal of this Note on the terms and conditions specified in the Credit Agreement.

If any one or more of the Events of Default shall occur and be continuing, the entire unpaid principal amount of this Note and all of the unpaid interest accrued thereon may become or be declared due and payable in the manner and with the effect provided in the Credit Agreement.

THE COMPANY ACKNOWLEDGES THAT THE FINANCING EVIDENCED BY THE CREDIT AGREEMENT AND THIS NOTE IS A COMMERCIAL TRANSACTION AND WAIVES ITS RIGHTS TO NOTICE AND HEARING UNDER CHAPTER 903a OF THE CONNECTICUT GENERAL STATUTES, OR AS OTHERWISE ALLOWED BY ANY STATE OR FEDERAL LAW WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH ANY AGENT MAY DESIRE TO USE.

Except as otherwise expressly provided in the Credit Agreement, the Company and every endorser and guarantor of this Note or the obligations represented hereby (including each of the Significant Subsidiaries parties to any of the Subsidiary Guarantees) waive presentment, demand, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this Note, assent to any extension or postponement of the time of payment of any amounts payable hereunder or under the Credit Agreement and any other indulgence in respect hereof or thereof.

This Note shall be construed in accordance with the laws of the State of Connecticut.

IN WITNESS WHEREOF, KAMAN CORPORATION has caused this BID AUCTION NOTE to be signed in its corporate name and its corporate seal to be impressed hereon by its duly authorized officer as of the day and year first above written.

[Corporate Seal]	KAMAN CORPORATION
Attest:	By:
	Name:
	Title:

Date	Interest Rate (Domestic/ Eurodollar)	Interest Period	Amount of Advance	Paid or Prepaid	Amount of Principal Balance of Principal Unpaid	Notation Made By
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

REVOLVING CREDIT ELECTION NOTICE

Fleet National Bank of Connecticut,
as Administrator
75 State Street
Boston, Massachusetts 02109

Attention: -----

KAMAN CORPORATION

Gentlemen and Ladies:

This Revolving Credit Election Notice is delivered to you pursuant to clause (a) of Section 1.3 of the Revolving Credit Agreement, dated as of January 29, 1996 (as the same is amended or otherwise modified and in effect from time to time, the "Credit Agreement"), among Kaman Corporation (the "Company"), a Connecticut corporation, the various financial institutions as are or may from time to time become parties thereto (the "Banks"), and The Bank of Nova Scotia ("Scotiabank") and Fleet National Bank of Connecticut ("Fleet"), as the Co-Administrative Agents. Unless otherwise defined herein or the context otherwise requires, terms used herein have the meanings provided in the Credit Agreement.

The Company hereby requests that a Revolving Credit Loan be made in the aggregate principal amount of \$----- on - ----- -, 199- as [a Domestic Loan] [a Eurodollar Loan having an Interest Period of [1] [3] [6] month[s]].

The Company hereby certifies and warrants that, pursuant to Section 3.2 of the Credit Agreement, each of the delivery of this Revolving Credit Election Notice and the acceptance by the Company of the proceeds of the Revolving Credit Loans requested hereby, constitute a representation and warranty that, on the date the Revolving Credit Loans requested hereby are made, and both before and after giving effect thereto and to the application of the proceeds therefrom, all statements set forth in clauses (c) and (d) of Section 3.2 of the Credit Agreement are true and correct in all material respects. The Company further certifies and warrants that on the date the Revolving Credit Loans proposed hereby are made, the aggregate amount of the proposed Revolving Credit Loans and all other Loans and Advances outstanding after giving effect to such Revolving Credit Loans (and any prepayments required pursuant to Section 1.8 of the Credit Agreement) will not exceed the Total Commitment, as in effect on such date.

The Company agrees that if prior to the time of the funding of the Revolving Credit Loans requested hereby any matter certified to herein by it will not be true and correct at such time as if then made, it will immediately so notify the Administrator. Except to the extent, if any, that prior to the time of the funding of the Revolving Credit Loans requested hereby the Administrator shall receive written notice to the contrary from the Company, each matter certified to herein shall be deemed once again to be certified as true and correct at the date of the funding of such Revolving Credit Loans as if then made.

The Company hereby confirms that the requested Revolving Credit Loans are to be made available to it in accordance with Section 1.3 of the Credit Agreement.

The Company has caused this Revolving Credit Election Notice to be executed and delivered, and the certification and warranties contained herein to be made, by its duly authorized officer this ----- day of -----, 199-.

KAMAN CORPORATION

By:
Name:
Title:

BID AUCTION ELECTION NOTICE

Fleet National Bank of Connecticut,
 as Administrator
 75 State Street
 Boston, Massachusetts 02109

Attention: -----

KAMAN CORPORATION

Gentlemen and Ladies:

This Bid Auction Election Notice is delivered to you pursuant to clause (b) of Section 1.4 of the Revolving Credit Agreement, dated as of January 29, 1996 (as the same is amended or otherwise modified and in effect from time to time, the "Credit Agreement"), among Kaman Corporation, a Connecticut corporation (the "Company"), the various financial institutions as are or may from time to time become parties thereto (the "Banks"), and The Bank of Nova Scotia ("Scotiabank") and Fleet National Bank of Connecticut ("Fleet"), as the Co-Administrative Agents. Unless otherwise defined herein or the context otherwise requires, terms used herein have the meanings provided in the Credit Agreement.

The Company hereby proposes that a Bid Auction Borrowing be made on the following terms:

- A. 1. Date of Bid Auction Borrowing: *-----, 19--
2. Aggregate Amount of Bid Auction Borrowing: \$-----
3. Bid Auction Advance Maturity Date(s) for repayment of such Bid Auction Advance(s): -----, 19--
4. The Interest Period(s) for such Bid Auction Advance(s) **-----
5. Bid Auction Advance Interest

- -----

- * Must be at least one (1) business day after the delivery of this Bid Auction Election Notice.
- ** Must be for such duration of 7 to 180 days.

Payment Date(s): *-----, 19--

**[B.1. Date of Bid Auction
Borrowing: -----, 19--

2. Aggregate Amount of Bid
Auction Borrowing: \$ -----

3. Bid Auction Advance Maturity
Date(s) for repayment of such
Bid Auction Advance(s): -----, 19--

4. The Interest Period(s) for such
Bid Auction Advance(s): -----

5. Bid Auction Advance Interest
Payment Date(s): -----, 19--

C. 1. Date of Bid Auction
Borrowing: -----, 19--

2. Aggregate Amount of Bid
Auction Borrowing: \$ -----

3. Bid Auction Advance Maturity
Date(s) for repayment of such
Bid Auction Advance(s): -----, 19--

4. The Interest Period(s) for such
Bid Auction Advance(s): -----

5. Bid Auction Advance Interest
Payment Date(s): -----, 19--]

- -----
* Insert the Bid Auction Advance Maturity Date, and if the
Bid Auction dvance Maturity Date occurs more than three
months after the date of the proposed Bid Auction Advance,
the date occurring on each three (and integral of three)
month anniversary of the making of the Advance after the
date of such Bid Auction Advance.

** Insert if more than one Bid Auction Advance is requested.
Page 94

The Company hereby certifies and warrants that, pursuant to Section 3.2 of the Credit Agreement, the delivery of this Bid Auction Election Notice constitutes a representation and warranty that, on the date the Bid Auction Advances requested hereby are made, and both before and after giving effect thereto and to the application of the proceeds therefrom, all statements set forth in clauses (c) and (d) of Section 3.2 of the Credit Agreement are true and correct in all material respects. The Company further certifies and warrants that on the date the Bid Auction Advances proposed hereby are made, the aggregate amount of the proposed Bid Auction Borrowing and all other Loans and Advances outstanding after giving effect to such Bid Auction Advances (and any prepayments required pursuant to Section 1.8 of the Credit Agreement) will not exceed the Total Commitment, as in effect on such date.

The Company agrees that if prior to the time of the Bid Auction Borrowing requested hereby any matter certified to herein by it will not be true and correct at such time as if then made, it will immediately so notify the Administrator. Except to the extent, if any, that prior to the time of the Bid Auction Borrowing proposed hereby, the Administrator shall receive written notice to the contrary from the Company, each matter certified to herein shall be deemed once again to be certified as true and correct at the date of such Advance as if then made.

The Company has caused this Bid Auction Election Notice to be executed and delivered, and the certification and warranties contained herein to be made, by its duly Authorized Officer this - ----day of -----, 199-.

KAMAN CORPORATION

By:

Name:

Title:

EXHIBIT E

BID AUCTION OFFER

-----, 199-

Kaman Corporation
Blue Hills Avenue
Bloomfield, Connecticut 06002

Attention: Robert M. Garneau
Executive Vice President &
Chief Financial Officer

Gentlemen and Ladies:

This Bid Auction Offer is delivered to you pursuant to clause (c) of Section 1.4 of the Revolving Credit Agreement, dated as of January 29, 1996 (as the same is amended or otherwise modified and in effect from time to time, the "Credit Agreement"), among Kaman Corporation, a Connecticut corporation (the "Company"), the various financial institutions as are or may from time to time become parties thereto (the "Banks"), and The Bank of Nova Scotia ("Scotiabank") and Fleet National Bank of Connecticut ("Fleet"), as the Co-Administrative Agents. Unless otherwise defined herein or the context otherwise requires, terms used herein have the meanings provided in the Credit Agreement.

The undersigned Bank hereby makes a Bid Auction Offer in response to the Bid Auction Election Notice made by the Company on -----, 199-, and in that connection, sets forth the terms on which such Bid Auction Offer is made:

- *1. Date of Bid Auction Borrowing: -----, 199-
2. Minimum principal amount of Bid Auction Advance the undersigned is willing to make as part of such proposed Bid Auction Borrowing: \$-----
3. Maximum principal amount of Bid Auction Advance the undersigned is willing to make as part of such proposed Bid Auction Borrowing: \$-----

- -----
* Information to be repeated if multiple Bid Auction Advances have been requested to be made in respect of a single Bid Auction Election Notice.

4. Bid Auction Advance Maturity Date
for repayment of such Bid Auction
Advance will be ----- --, 199-
5. Bid Auction Advance Interest
Payment Date(s) will be ----- --, 199-
[----- --, 199-]
6. Rate of interest: -----% per annum

[NAME OF BANK]

By:
Name:
Title:

BID AUCTION ACCEPTANCE

[NAME AND ADDRESS OF BANK]

Attention: -----

KAMAN CORPORATION

Gentlemen and Ladies:

This Bid Auction Acceptance is delivered to you pursuant to clause (d) of Section 1.4 of the Revolving Credit Agreement, dated as of January 29, 1996 (as the same is amended or otherwise modified and in effect from time to time, the "Credit Agreement"), among Kaman Corporation, a Connecticut corporation (the "Company"), the various financial institutions as are or may from time to time become parties thereto (the "Banks"), and The Bank of Nova Scotia ("Scotiabank") and Fleet National Bank of Connecticut ("Fleet"), as the Co-Administrative Agents. Unless otherwise defined herein or the context otherwise requires, terms used herein have the meanings provided in the Credit Agreement.

*The Company hereby accepts the Bid Auction Offer, dated
- ----- --, 199-, made by [NAME OF BANK] on the following terms:

- **1. Date of Bid Auction Advance ----- --, 199-
- 2. Principal amount of Bid Auction Advance \$-----
- 3. Bid Auction Advance Maturity Date: ----- --, 199-
- 4. Rate of interest: -----% per annum
- 5. Bid Auction Advance Interest Payment Date(s): ----- --, 199-
[----- --, 199-]

- -----

* Repeat this paragraph (and information contained therein) for each Bank whose Bid Auction Offer is accepted by the Company or for multiple Bid Auction Advances.

** Terms must conform to the Bid Auction Election Notice referred to in the Bid Auction Offer relating to such Bid Auction Borrowing.

The undersigned hereby confirms that it accepts such Bid Auction Offer in accordance with clause (d)(ii) of Section 1.4 of the Credit Agreement. The Company hereby certifies and warrants that, pursuant to Section 3.2 of the Credit Agreement, this acceptance by the Company of the proceeds of the Bid Auction Advances constitutes a representation and warranty that, on the date the Bid Auction Advances requested by the Bid Auction Election Request are made, and both before and after giving effect thereto and to the application of the proceeds therefrom, all statements set forth in clauses (c) and (d) of Section 3.2 of the Credit Agreement are true and correct in all material respects. The Company further certifies and warrants that on the date the Bid Auction Advances accepted hereby are made, the aggregate amount of the proposed Bid Auction Advances and all other Loans and Advances outstanding after giving effect to such Bid Auction Advances (and any prepayments required pursuant to Section 1.8 of the Credit Agreement) will not exceed the Total Commitment, as in effect on such date.

The Company has caused this Bid Auction Acceptance to be executed and delivered, and the certification and warranties contained herein to be made, by its duly Authorized Officer this - ---- day of -----, 199-.

KAMAN CORPORATION

By:

Name:

Title:

KAMAN CORPORATION

COMPLIANCE CERTIFICATE

The undersigned, -----, hereby certifies that s/he is the duly elected, qualified and acting ----- of Kaman Corporation (the "Company"), a Connecticut corporation, and as such officer, s/he is familiar with the terms, covenants and conditions of the Revolving Credit Agreement (as the same is amended or otherwise modified and in effect from time to time, the "Credit Agreement"), dated as of January 29, 1996, among the Company, the various financial institutions as are or may from time to time become parties thereto (the "Banks"), and The Bank of Nova Scotia ("Scotiabank") and Fleet National Bank of Connecticut ("Fleet"), as the Co-Administrative Agents. All terms not specifically defined herein shall have the definitions ascribed in the Credit Agreement.

This is to certify that, as of the date hereof (i) the Company has complied, and shall be in compliance, with all terms, covenants and conditions of the Credit Agreement as required thereby; (ii) there exists no Default or Event of Default; and (iii) the representations and warranties set forth in Article II of the Credit Agreement are true and correct with the same effect as though such representations had been made as of the date of this Certificate.

The computations which produced the figures contained in this Compliance Certificate are set forth on Annex A hereto.

Without limiting the generality of the foregoing, the Company certifies specifically as follows as of [insert last day of most recently ended fiscal quarter]:

Section of Credit Agreement		(Dollars in Thousands)	
		Requirement or Ceiling	Actual
5.1(e)	Liens not to secure Indebtedness in excess of \$25,000,000	\$25,000,000	\$-----

Section of
Credit Agreement

		(Dollars in Thousands)	
		Requirement or Ceiling	Actual
5.6(b)(i)	Sale of Assets pursuant to Section 5.6(b) for this fiscal year through the date of this certificate	\$----- (figure represents 15% of Company's Consolidated Tangible Assets as calculated pursuant to Section 5.6)	\$-----
5.6(b)(ii)	Sale of Assets pursuant to Section 5.6(b) through the date of this certificate since Effective Date	\$----- (figure represents 45% of Company's Consolidated Tangible Assets as calculated pursuant to Section 5.6)	\$-----
6.1	Consolidated Net Worth	\$200,000,000	\$-----
6.2	Fixed Charge Coverage Ratio	2.50:1.0 through (and including) 12/31/97 2.75:1.0 after 12/31/97	---:1.0
6.3	Consolidated Total Indebtedness as a percentage of Total Capitalization	55%	---%

KAMAN CORPORATION

Dated: [date of delivery
of Certificate]

By:
Name:
Title:

A. 5.6: Sale of Assets

(i) Applicable Percentage:

- (a) The aggregate book value of all tangible assets sold (as determined at the time of such sale) divided by the Consolidated Tangible Assets as of the most recently completed fiscal quarter at the time of such asset sale: \$-----

(ii) Aggregate Percentage:

The sum of all Applicable Percentages:

- (a) For the current fiscal year - not to exceed 15%, and therefore the Company [was] [was not] in compliance with Section 5.6: -----%
- (b) Since the Effective Date - not to exceed 45%, and therefore the Company [was] [was not] in compliance with Section 5.6: -----%

(iii) Designated Percentage:

Either of:

- (a) 15%, for any fiscal year; or
- (b) not to exceed a cumulative aggregate percentage of 45% since the Effective Date:
[15%]
[45%]

(iv) Reduction Amount:

An amount equal to:

- (a) if Item (iii) (a) above applies, the book value of all asset sales during the current fiscal year less 15% of the Consolidated Tangible Assets as of the most recently completed fiscal quarter less any Total Commitment reduction during such current fiscal year; or
- (b) if Item (iii) (b) above applies, the book value of all asset sales during the current fiscal year less any Total Commitment reductions during such current fiscal year: \$-----

B. 6.1: Consolidated Net Worth

- (i) consolidated shareholders' equity: \$-----
- (ii) Qualifying Preferred Stock: \$-----
- (iii) Consolidated Net Worth (Item (i) plus Item (ii)): \$-----

C. 6.2: Fixed Charge Coverage Ratio

(i) Operating Profit for the four (4) most recently completed fiscal quarters of Company: \$-----

(ii) aggregate consolidated interest expense on borrowed money (including the Obligations) (net of cash income from Investments) for the four (4) most recently completed fiscal quarters of the Company: \$-----

(iii) Fixed Charge Coverage Ratio (ratio of Item(i) to Item(ii))* ---:---

D. 6.3: Consolidated Total Indebtedness to Total Capitalization

(i) Consolidated Total Indebtedness: \$-----

(ii) Consolidated Net Worth (see Item (iii) from Section C above): \$-----

(iii) Total Capitalization (Item (i) plus Item (ii)): \$-----

(iv) Item (i) divided by Item (iii): ----%

- - - - -

* Section 6.2 of the Credit Agreement requires the Fixed Charge Coverage Ratio to be greater than or equal to 2.50:1.0 through (and including) 12-31-97 and to be greater than or equal to 2.75:1.0 at any time of determination hereafter.

** Section 6.3 of the Credit Agreement requires the Company's Consolidated Total Indebtedness to be less than or equal to 55% of its Total Capitalization.

ASSIGNMENT AND ACCEPTANCE AGREEMENT

Reference is made to the Revolving Credit Agreement, (as the same is amended or otherwise modified and in effect from time to time, the "Credit Agreement") dated as of January 29, 1996, by and among Kaman Corporation (the "Company"), the various financial institutions as are or may from time to time become parties thereto (the "Banks"), and The Bank of Nova Scotia ("Scotiabank") and Fleet National Bank of Connecticut ("Fleet"), as the Co-Administrative Agents. Capitalized terms used but not defined herein have the meanings assigned to such terms in the Credit Agreement.

This Assignment and Acceptance Agreement (this "Agreement") has been made by ----- (the "Assignor") and ----- (the "Assignee"), and consented to by the Company and each of the Co-Administrative Agents, in order to effect the assignment by the Assignor, and the assumption by the Assignee, of certain of the Assignor's rights and duties with respect to the Credit Agreement and the Notes issued to it thereunder.

The Assignor and Assignee agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, a ---% interest in and to all of the Assignor's rights and obligations under the Credit Agreement, including (a) its Commitment on the Assignment Effective Date (as defined below), (b) each of the Advances owing on the Assignment Effective Date to the Assignor, (c) each Note held by the Assignor, and (d) all unpaid interest with respect to such Advances and Fees owing to the Assignor and accrued to the Assignment Effective Date.

2. The Assignor (a) represents that as of the date hereof, its Commitment (without giving effect to assignments thereof which have not yet become effective) is \$-----, and the outstanding principal balances of each Note held by the Assignor (unreduced by any assignments thereof which have not yet become effective) is as follows: -----, (b) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution,

legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any of the Notes held by such Assignor, any of the other Credit Documents or any other instrument or document furnished pursuant thereto, other than that it is the legal and beneficial owner of the interests being assigned by it hereunder and that such interests are free and clear of any lien or security interest, and (c) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Company or any other Obligor or the performance or observance by the Company or any other Obligor of any of its obligations under the Credit Agreement, any of the Notes or any of the other Credit Documents or any other instrument or documents furnished pursuant thereto.

3. The Assignee (a) represents and warrants that it is legally authorized to enter into this Agreement, (b) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements referred to in Section 4.1 of the Credit Agreement and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Agreement; (c) agrees that it will, independently and without reliance upon either of the Co-Administrative Agents, the Administrator, the Assignor or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, any Notes held by it or any of the other Credit Documents; (d) appoints and authorizes each of the Co-Administrative Agents to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to either of the Co-Administrative Agents by the terms thereof, together with such powers as are reasonably incidental thereto; and (e) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Bank, including its obligations under Section 1.10 of the Credit Agreement if it is organized outside the United States.

4. The Assignment Effective Date for this Agreement shall be ----- --, 19-- (the "Assignment Effective Date").*

- -----
* See Section 10.6(b) of the Credit Agreement. Such date shall be at least five (5) Business Days after the execution of this Agreement.

5. From and after the Assignment Effective Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent rights and obligations have been transferred to it by this Agreement, have the rights and obligations of a Bank thereunder and (b) the Assignor shall, to the extent its rights and obligations have been transferred to the Assignee by this Agreement, relinquish its rights and be released from its obligations under the Credit Agreement.

6. Upon receipt and recording of this Agreement by the Administrator, from and after the Assignment Effective Date, the Administrator shall make all payments under the Credit Agreement in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and Fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement for periods prior to the Assignment Effective Date directly between themselves.

7. The Assignee hereby consents to the exclusive jurisdiction of any Federal or State court located in Connecticut.

8. This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut.

ASSIGNOR:
[NAME OF ASSIGNOR]

By:
Name:
Title:

ASSIGNEE:
[NAME OF ASSIGNEE]

By:
Name:
Title:

hereby accepted by each of the

COMPANY:

KAMAN CORPORATION

By:

Name:

Title:

CO-ADMINISTRATIVE AGENTS:

THE BANK OF NOVA SCOTIA,
as a Co-Administrative Agent

By:

Name:

Title:

FLEET NATIONAL BANK OF
CONNECTICUT,
as a Co-Administrative Agent

By:

Name:

Title:

EXHIBIT I

SUBSIDIARY GUARANTEE

THIS SUBSIDIARY GUARANTEE (this "Guarantee"), dated as of
- -----, made by [NAME OF SUBSIDIARY], a -----
[corporation] (the "Guarantor"), in favor of each of the Bank
Parties (as defined below).

W I T N E S S E T H:

WHEREAS, pursuant to a Revolving Credit Agreement, dated as of
January 29, 1996 (together with all amendments and other
modifications, if any, from time to time thereafter made thereto,
the "Credit Agreement"), among Kaman Corporation, a Connecticut
corporation (the "Company"), the various financial institutions as
are or may from time to time become parties thereto (individually a
"Bank" and collectively the "Banks"), and The Bank of Nova Scotia
("Scotiabank") and Fleet National Bank of Connecticut ("Fleet"), as
the co-administrative agents (each a "Co-Administrative Agent" and
collectively, the "Co-Administrative Agents"), the Banks have
extended Commitments to make Loans to the Company; and

WHEREAS, as a condition precedent to the making of the initial
Loans under the Credit Agreement, the Guarantor is required to
execute and deliver this Guarantee; and

WHEREAS, the Guarantor has duly authorized the execution,
delivery and performance of this Guarantee; and

WHEREAS, it is in the best interests of the Guarantor to
execute this Guarantee inasmuch as the Guarantor will derive
substantial direct and indirect benefits from the Loans and
Advances made from time to time to the Company by the Banks
pursuant to the Credit Agreement;

NOW THEREFORE, for good and valuable consideration the receipt
of which is hereby acknowledged, and in order to induce the Banks
to make Loans and Advances (including the initial Loans) to the
Company pursuant to the Credit Agreement, the Guarantor agrees, for
the benefit of each Bank Party, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Certain Terms. The following terms (whether or not underscored) when used in this Guarantee, including its preamble and recitals, shall have the following meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"Administrator" means Fleet National Bank of Connecticut, in its capacity as Administrator pursuant to the Credit Agreement, and each of its successors, transferees and assigns thereto.

"Bank" and "Banks" is defined in the first recital.

"Bank Party" means, as the context may require, any Bank or either Co-Administrative Agent and each of their respective successors, transferees and assigns.

"Co-Administrative Agent" and "Co-Administrative Agents" is defined in the first recital.

"Company" is defined in the first recital.

"Credit Agreement" is defined in the first recital.

"Guarantee" is defined in the preamble.

"Guarantor" is defined in the preamble.

SECTION 1.2. Credit Agreement Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Guarantee, including its preamble and recitals, have the meanings provided in the Credit Agreement.

ARTICLE II

GUARANTEE PROVISIONS

SECTION 2.1. Guarantee. The Guarantor hereby absolutely, unconditionally and irrevocably

(a) guarantees the full and punctual payment when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, of all Obligations of the Company, whether for principal, interest, fees, expenses or otherwise (including all such amounts which would become due but for the operation of the automatic stay under Section 362(a) of the United States Bankruptcy Code, 11 U.S.C. Section 362(a), and the operation of Sections 502(b) and 506(b) of the United States Bankruptcy Code, 11 U.S.C. Section 502(b) and Section 506(b)), and

(b) indemnifies and holds harmless each Bank Party and each holder of a Note for any and all costs and expenses (including reasonable attorney's fees and expenses) incurred by such Bank Party or such holder, as the case may be, in enforcing any rights under this Guarantee; provided, however, that the Guarantor shall be liable under this Guarantee for the maximum amount of such liability that can be hereby incurred without rendering this Guarantee, as it relates to the Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount. This Guarantee constitutes a guaranty of payment when due and not of collection, and the Guarantor specifically agrees that it shall not be necessary or required that any Bank Party or any holder of any Note exercise any right, assert any claim or demand or enforce any remedy whatsoever against the Company or any other Obligor (or any other Person) before or as a condition to the obligations of the Guarantor hereunder.

SECTION 2.2. Acceleration of Guarantee. The Guarantor agrees that, in the event of the dissolution or insolvency of the Company or the Guarantor, or the inability or failure of the Company or the Guarantor to pay debts as they become due, or an assignment by the Company or the Guarantor for the benefit of creditors, or the commencement of any case or proceeding in respect of the Company or the Guarantor under any bankruptcy, insolvency or similar laws, and

if such event shall occur at a time when any of the Obligations of the Company may not then be due and payable, the Guarantor will pay to the Bank Parties forthwith the full amount which would be payable hereunder by the Guarantor if all such Obligations were then due and payable.

SECTION 2.3. Guarantee absolute, etc. This Guarantee shall in all respects be a continuing, absolute, unconditional and irrevocable guaranty of payment, and shall remain in full force and effect until all Obligations of the Company have been paid in full, all obligations of the Guarantor hereunder shall have been paid in full and all Commitments shall have terminated. The Guarantor guarantees that the Obligations of the Company will be paid strictly in accordance with the terms of the Credit Agreement, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any Bank Party or any holder of any Note with respect thereto. The liability of the Guarantor under this Guarantee shall be absolute, unconditional and irrevocable irrespective of:

- (a) any lack of validity, legality or enforceability of the Credit Agreement, any Note or any other Credit Document;
- (b) the failure of any Bank Party or any holder of any Note
 - (i) to assert any claim or demand or to enforce any right or remedy against the Company, any other Obligor or any other Person (including any other guarantor) under the provisions of the Credit Agreement, any Note or any other Credit Document or otherwise, or
 - (ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any Obligations of the Company or any other Obligor;
- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations of the Company or any other Obligor, or any other extension, compromise or renewal of any Obligation of the Company or any other Obligor;

- (d) any reduction, limitation, impairment or termination of the Obligations of the Company or any other Obligor for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and the Guarantor hereby waives any right to or claim of) any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the Obligations of the Company, any other Obligor or otherwise;
- (e) any amendment to, rescission, waiver, or other modification of, or any consent to departure from, any of the terms of the Credit Agreement, any Note or any other Credit Document;
- (f) any addition, exchange, release, surrender or non-perfection of any collateral, or any amendment to or waiver or release or addition of, or consent to departure from, any other guaranty (including any other Subsidiary Guarantee), held by any Bank Party or any holder of any Note securing any of the Obligations of the Company; or
- (g) any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, the Company, any other Obligor, any surety or any guarantor.

SECTION 2.4. Reinstatement, etc. The Guarantor agrees that this Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be restored by any Bank Party or any holder of any Note, upon the insolvency, bankruptcy or reorganization of the Company or otherwise, all as though such payment had not been made.

SECTION 2.5. Waiver, etc. The Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations of the Company and this Guarantee and any requirement that either of the Co-Administrative Agents, any other Bank Party or any holder of any Note protect, secure, perfect or insure any security interest or Lien, or any property subject thereto, or exhaust any right or take any action against the Company, any other Obligor or any other Person (including any other guarantor) or entity or any collateral securing the Obligations of the Company.

SECTION 2.6. Postponement of Subrogation, etc. The Guarantor will not exercise any rights which it may acquire by way of rights of subrogation under this Guarantee, by any payment made hereunder or otherwise, until the prior payment, in full and in cash, of all Obligations of the Company. Any amount paid to the Guarantor on account of any such subrogation rights prior to the payment in full of all Obligations of the Company shall be held in trust for the benefit of the Bank Parties and each holder of a Note and shall immediately be paid to the Administrator and credited and applied against the Obligations of the Company, whether matured or unmatured, in accordance with the terms of the Credit Agreement; provided, however, that if

- (a) the Guarantor has made payment to the Bank Parties and each holder of a Note of all or any part of the Obligations of the Company, and
- (b) all Obligations of the Company have been paid in full and all Commitments have been permanently terminated,

each Bank Party and each holder of a Note agrees that, at the Guarantor's request, the Administrator, on behalf of the Bank Parties and the holders of the Notes, will execute and deliver to the Guarantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations of the Company resulting from such payment by the Guarantor. In furtherance of the foregoing, for so long as any Obligations or Commitments remain outstanding, the Guarantor shall refrain from taking any action or commencing any proceeding against the Company (or its successors or assigns, whether in connection with a bankruptcy proceeding or otherwise) to recover any amounts in the respect of payments made under this Guarantee to any Bank Party or any holder of a Note.

SECTION 2.7. Successors, Transferees and Assigns; Transfers of Notes, etc. This Guarantee shall:

- (a) be binding upon the Guarantor, and its successors, transferees and assigns; and
- (b) inure to the benefit of and be enforceable by either of the Co-Administrative Agents and each other Bank Party.

Without limiting the generality of clause (b), any Bank may assign or otherwise transfer (in whole or in part) any Note or Advance held by it to any other Person or entity, and such other Person or entity shall thereupon become vested with all rights and benefits in respect thereof granted to such Bank under any Credit Document (including this Guarantee) or otherwise, subject, however, to the provisions of Section 10.5 and Article VIII of the Credit Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

SECTION 3.1. Representations and Warranties. The Guarantor hereby represents and warrants unto each Bank Party as to all matters contained in Article II of the Credit Agreement insofar as the representations and warranties contained therein are applicable to the Guarantor and/or its properties, each such representation and warranty set forth in such Article (insofar as applicable as aforesaid) and all other terms of the Credit Agreement to which reference is made therein, together with all related definitions and ancillary provisions, being hereby incorporated into this Guarantee by reference as though specifically set forth in this Section.

ARTICLE IV

COVENANTS, ETC.

SECTION 4.1. Affirmative Covenants. The Guarantor covenants and agrees that, so long as any portion of the Obligations shall remain unpaid or any Bank shall have any outstanding Commitment, or any Advance shall remain outstanding, the Guarantor will perform, comply with and be bound by all of the agreements, covenants and obligations contained in each of Article IV and Article V of the Credit Agreement which are applicable to the Guarantor and/or its properties, each such agreement, covenant and obligation contained in such Articles and all other terms of the Credit Agreement to which reference is made therein, together with all related definitions and ancillary provisions, being hereby incorporated into this Guarantee by reference as though specifically set forth in this Section.

ARTICLE V

MISCELLANEOUS PROVISIONS

SECTION 5.1. Credit Document. This Guarantee is a Credit Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof, including, without limitation, Article X thereof.

SECTION 5.2. Binding on Successors, Transferees and Assigns; Assignment. In addition to, and not in limitation of, Section 2.7, this Guarantee shall be binding upon the Guarantor and its successors, transferees and assigns and shall inure to the benefit of and be enforceable by each Bank Party and each holder of a Note and their respective successors, transferees and assigns (to the full extent provided pursuant to Section 2.7); provided, however, that the Guarantor may not assign any of its obligations hereunder without the prior written consent of all the Banks.

SECTION 5.3. Amendments, etc. No amendment to or waiver of any provision of this Guarantee, nor consent to any departure by the Guarantor herefrom, shall in any event be effective unless the same shall be in writing and signed by all of the Banks, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 5.4. Notices. All notices and other communications provided to the Guarantor under this Guarantee shall be in writing and shall be mailed by first class mail or sent by overnight courier or delivered by hand or sent by telegraph, facsimile transmission or telex to the Guarantor at its address, telex or facsimile number set forth below its signature hereto or at such other address, telex or facsimile number as may be designated by the Guarantor in a notice to each of the Bank Parties. Notices hereunder shall be deemed to have been given when (a) if delivered by hand or telecopied or otherwise telecommunicated, to the officer named below the Guarantor's signature hereto (or such other responsible officer of the Guarantor notified to the Bank Parties from time to time), at the time of receipt thereof by such officer, (b) if sent by registered or certified mail, postage prepaid, three days after the date when mailed, or (c) if sent by overnight mail or overnight courier service, to such officer, when received by such officer.

SECTION 5.5. No Waiver; Remedies. In addition to, and not in limitation of, Section 2.3 and Section 2.5, no failure on the part of any Bank Party or any holder of a Note to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 5.6. Captions. Section captions used in this Guarantee are for convenience of reference only, and shall not affect the construction of this Guarantee.

SECTION 5.7. Setoff. In addition to, and not in limitation of, any rights of any Bank Party or any holder of a Note under applicable law, each Bank Party and each such holder shall, upon the occurrence of any Default described in clause (f) of Section 7.1 of the Credit Agreement or any Event of Default, have the right to appropriate and apply to the payment of the obligations of the Guarantor owing to it hereunder, whether or not then due, and the Guarantor hereby grants to each Bank Party and each such holder a continuing security interest in, any and all balances, credits, deposits, accounts or moneys of the Guarantor then or thereafter maintained with such Bank Party or such holder; provided, however, that any such appropriation and application shall be subject to the provisions of Section 7.5 of the Credit Agreement.

SECTION 5.8. Severability. Wherever possible each provision of this Guarantee shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guarantee shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guarantee.

SECTION 5.9. Governing Law. THIS GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CONNECTICUT.

SECTION 5.10. Waiver of Jury Trial. THE GUARANTOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS GUARANTEE OR ANY OTHER CREDIT DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF ANY BANK PARTY OR THE GUARANTOR. THE GUARANTOR ACKNOWLEDGES AND AGREES THAT IT HAS RECEIVED FULL AND SUFFICIENT CONSIDERATION FOR THIS PROVISION AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE BANKS ENTERING INTO THE CREDIT AGREEMENT.

SECTION 5.11. Prejudgment Remedy Waiver; Other Waivers. THE GUARANTOR ACKNOWLEDGES THAT THE FINANCING TO WHICH THIS GUARANTEE RELATES IS A COMMERCIAL TRANSACTION AND WAIVES ITS RIGHTS TO NOTICE AND HEARING UNDER CHAPTER 903A OF THE CONNECTICUT GENERAL STATUTES, OR AS OTHERWISE ALLOWED BY ANY STATE OR FEDERAL LAW WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH EITHER CO-ADMINISTRATIVE AGENT OR ANY BANK MAY DESIRE TO USE, AND FURTHER WAIVES DILIGENCE, DEMAND, PRESENTMENT FOR PAYMENT, NOTICE OF NONPAYMENT, PROTEST AND NOTICE OF ANY RENEWALS OR EXTENSIONS. THE GUARANTOR ACKNOWLEDGES AND RESERVES ITS RIGHT TO NOTICE AND A HEARING SUBSEQUENT TO THE ISSUANCE OF A WRIT FOR PREJUDGMENT REMEDY AS AFORESAID AND THE CO-ADMINISTRATIVE AGENTS AND THE BANKS ACKNOWLEDGE THE GUARANTOR'S RIGHT TO SAID HEARING SUBSEQUENT TO THE ISSUANCE OF SAID WRIT.

SECTION 5.12. Consent to Jurisdiction. FOR THE PURPOSES OF ANY ACTION OR PROCEEDING INVOLVING THIS GUARANTEE OR ANY OTHER CREDIT DOCUMENT, THE GUARANTOR HEREBY EXPRESSLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY FEDERAL OR STATE COURT LOCATED IN CONNECTICUT; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT THE CO-ADMINISTRATIVE AGENTS' OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND.

IN WITNESS WHEREOF, the Guarantor has caused this Guarantee to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

[NAME OF GUARANTOR]

By

Name:

Title:

Address:

Attention:

Facsimile No:

[Letterhead of Kaman Corporation]

January ---, 1996

The Bank of Nova Scotia
101 Federal Street
Boston, Massachusetts 02110

Fleet National Bank of Connecticut
777 Main Street
Hartford, Connecticut 06115

[NAME OF EACH OF THE BANKS]

Re: Revolving Credit Agreement (the "Credit Agreement"), dated as of January 29, 1996, by and among Kaman Corporation (the "Company"), the various financial institutions as are or may from time to time become parties thereto (the "Banks"), and The Bank of Nova Scotia ("Scotiabank") and Fleet National Bank of Connecticut ("Fleet"), as the co-administrative agents (the "Co-Administrative Agents").

Ladies and Gentlemen:

I have acted as special counsel to the Company and each of its Subsidiaries in connection with the negotiation, execution and delivery of the Credit Agreement, the Notes, the Subsidiary Guarantees and each of the other Credit Documents and the transactions contemplated thereby. Capitalized terms used but not defined herein have the meanings given to such terms in the Credit Agreement.

This opinion letter has been requested of me as an inducement to your entering into the Credit Agreement with the Company. In this connection, I have examined the Governing Documents of the Company and of each Subsidiary of the Company and resolutions of the Board of Directors of the Company and of each Subsidiary of the Company and such certificates of public officials and other corporate documents or records and have made such other examinations and inquiries as I have deemed necessary or appropriate.

I have examined either original, certified copies or copies otherwise authenticated to my satisfaction of such documents as I have deemed necessary or advisable to examine in order to furnish the opinions herein expressed. I have made such other examination as to matters of fact and law as I have deemed necessary in order to enable me to give this opinion.

Based upon the foregoing and upon such investigations of law as I have deemed appropriate, it is my opinion that, as of the date hereof:

1. The Company and each Subsidiary (a) is a corporation duly organized, validly existing and in good standing under the laws of its respective jurisdiction of incorporation, (b) has all requisite corporate power to own its respective material properties and conduct its respective business, and (c) is duly qualified to do business and is in good standing as a foreign corporation in each of the jurisdictions where the nature of its properties or its business requires such qualification except where a Subsidiary's failure to be in good standing would not result in a Material Adverse Effect.

2. The execution, delivery and performance of the Credit Agreement, the Notes, the Subsidiary Guarantees and each of the other Credit Documents and the transactions contemplated thereby (a) are within the corporate authority of the Company or such Subsidiary of the Company, as the case may be, (b) have been authorized by proper corporate proceedings, (c) will not (i) contravene or conflict with any Governing Document of the Company or any of its Subsidiaries, (ii) conflict with or result in a violation, breach or, but for the giving of notice or passage of time or both, constitute a default under (A) any provision of any existing statute, law, rule or regulation binding on the Company or any of its Subsidiaries or, to the best of my knowledge, after due inquiry and investigation, any order, judgment, award, decree, license or authorization of any court or Governmental Authority binding on the Company or any of its Subsidiaries (a "Requirement of Law"), or (B) to the best of my knowledge, after due inquiry and investigation, any mortgage, indenture, lease or other contract, agreement, instrument or undertaking to which the Company or any of its Subsidiaries is a party or will be a party immediately after the Effective Date, or by which or to which the Company or any of its Subsidiaries or any of their respective properties or assets is now or immediately after the Effective Date will be bound or subject (a "Contractual Obligation"), or (iii) result in the creation or imposition of any Lien on any of the properties or assets of the Company or any of its Subsidiaries.

3. No approval or consent of, or filing with, any Governmental Authority and no consent or approval of the shareholders of the Company, any of its Subsidiaries or any other Person is required to be obtained or made by or on behalf of the Company or any of its Subsidiaries to make valid and legally binding the execution, delivery and performance of the Credit Agreement, the Notes, the Subsidiary Guarantees or any other Credit Document. The consummation of the transactions contemplated by the Credit Agreement, the Notes, the Subsidiary Guarantees and each of the other Credit Documents does not require any approval, authorization or consent of or (except for such disclosures as may be required in accordance with filings made by the Company and/or its Subsidiaries in the ordinary course of business such as customary SEC reporting) filing, registration or declaration with any such Governmental Authority or Person.

4. Neither the Company nor any of its Subsidiaries is or immediately after the Effective Date will be in default under any of its Governing Documents or in violation of any Requirement of Law. To the best of my knowledge, after due inquiry and investigation, neither the Company nor any of its Subsidiaries is or immediately after the Effective Date will be in violation of or default under any (a) Contractual Obligation, or (b) any license, permit, certification or approval requirement of any customer, supplier, Governmental Authority or other Person.

5. All of the shares of each Subsidiary are owned of record by the Company, have been validly issued and are fully paid and nonassessable.

6. To the best of my knowledge, after due inquiry and investigation, no action, suit, investigation or proceeding is pending or known to be threatened by or against or affecting the Company or any of its Subsidiaries or any of their respective properties or rights before any Governmental Authority (a) which involves the Credit Agreement, the Notes, the Subsidiary Guarantees or any other Credit Document or any instrument delivered in connection therewith, or any action to be in connection with the transactions contemplated thereby or (b) as to which there is a reasonable possibility of an adverse determination and which, if adversely determined, could, individually or in the aggregate result in a Material Adverse Effect.

7. The Credit Agreement, each of the Notes, each of the Subsidiary Guarantees and each of the other Credit Documents have been duly and properly executed and delivered to the Co-Administrative Agents by the Company.

8. The agreements and obligations of the Company and its Subsidiaries contained in the Credit Agreement, each of the Notes, each of the Subsidiary Guarantees and each of the other Credit Documents constitute the legal, valid and binding obligations of the Company or such Subsidiary, as the case may be, enforceable against the Company or each such Subsidiary in accordance with their respective terms, except to the extent their enforcement may hereafter be limited by bankruptcy or insolvency or other laws affecting creditors rights generally.

9. The rates of interest payable on the Notes are not in violation of or prohibited by the laws of the State of Connecticut.

Very truly yours,

EXHIBIT 11
KAMAN CORPORATION AND SUBSIDIARIES
EARNINGS PER COMMON SHARE COMPUTATION
(In Thousands Except Per Share Amounts)

	1995 ----	1994 ----	1993 ----
Primary:			
Net earnings (loss) applicable to common stock	\$ 15,886 =====	\$(16,897) =====	\$(29,497) =====
Weighted average number of common shares outstanding	18,330	18,175	18,133
Weighted average shares issuable on exercise of dilutive stock options	182 -----	* -----	* -----
Total	18,512 =====	18,175 =====	18,133 =====
Net earnings (loss) per common share-primary	\$.86 =====	\$ (.93) =====	\$ (1.63) =====
Fully diluted:			
Net earnings(loss)applicable to common stock	\$ 15,886	\$(16,897)	\$(29,497)
Elimination of interest expense on 6% subordinated convertible debentures (net after taxes)	1,195	*	*
Elimination of preferred stock dividend requirement	3,716 -----	* -----	* -----
Net earnings(loss)(as adjusted)	\$ 20,797 =====	\$(16,897) =====	\$(29,497) =====
Weighted average number of shares outstanding including shares issuable on stock option exercises	18,512	18,175	18,133
Shares issuable on conversion of 6% subordinated convertible debentures	1,421	*	*
Shares issuable on conversion of Series 2 preferred stock	4,551	*	*
Additional shares using ending market price instead of average market on treasury method use of stock option proceeds	7 -----	* -----	* -----
Total	24,491 =====	18,175 =====	18,133 =====
Net earnings (loss) per common share-fully diluted	\$.85 =====	\$ (.93) =====	\$ (1.63) =====

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

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

RESULTS OF OPERATIONS

Revenues for 1995 were \$899.5 million compared to \$820.8 million in 1994 and \$794.1 million in 1993. The increase for 1995 is largely attributable to the corporation's Distribution segment.

Distribution segment revenues increased by 13% in 1995 and 1994, and by 7% in 1993. During 1995, Industrial Distribution sales (about 75% of this segment's business in 1995) continued to benefit from domestic economic growth. Revenue increases have been stronger than the rate of increase in industrial production, however, due in part to the company's efforts to expand partnering relationships with suppliers, address the needs of customers who want to consolidate their vendor base, and provide value added services in areas such as electrical and electronic systems, materials handling, and precision positioning systems. For its larger customers, the corporation is increasingly being given the opportunity to perform an "integrated supply" function, involving management of their parts inventories and associated personnel as well as selection of suppliers for the customer's facility. These initiatives, in combination with enhanced operating efficiencies attained during the past few years, have resulted in increased market share for the industrial distribution business. Music Distribution sales also increased during 1995, with the increases occurring largely in the U.S. market.

Diversified Technologies segment revenues were up 4% in 1995, compared to decreases of 9% in 1994 and 5% in 1993. The results for 1995 are primarily due to sales of the K-MAX(Registered Trademark) helicopter and increased demand for the corporation's specialty self-lubricating bearings.

During 1995, the corporation continued efforts to adapt the defense portion of this segment's business (71% in 1995) to market conditions. With respect to its SH-2 helicopter, management believes that there is potential for use of this aircraft by foreign military services. In 1995, the corporation began work pursuant to a letter agreement between the Republic of Egypt and the U.S. Navy for the acquisition of ten (10) SH-2G helicopters. This work, which could have a value of up to \$135 million over a three year period, involves the retrofit of SH-2F helicopters already manufactured for the U.S. Navy into the SH-2G configuration. The contract between the corporation and the U.S. Navy for this work is in the negotiation process, however, the corporation has received a contract to provide long lead materials

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

and services in support of the sale in the amount of \$40 million. Deliveries are scheduled to begin in the third quarter of 1997. The corporation is pursuing other opportunities for foreign sales as well; during 1995 an office was established in Australia to coordinate work on competitions in New Zealand, Australia, and Malaysia. In December 1995 the government of New Zealand notified the corporation that it is one of only two competitors (and the only U.S. company) that will enter the Best and Final Offer process for the procurement of four (4) to six (6) retrofitted aircraft. Although the corporation is not manufacturing further aircraft for the U.S. Navy, sixteen (16) aircraft are currently in the Naval Reserves and the corporation expects to provide logistics and spare parts support for these aircraft.

As to its advanced technology defense programs, management continues to believe that it is well positioned to compete in a defense environment that is increasingly emphasizing advanced technology "smart weapons" programs in its strategic planning. The corporation has significant expertise in the field of high-technology programs, having performed a multitude of government contracts over the years. These contracts have involved products and systems, as well as services such as computer software development, intelligence analysis, and research and development. The corporation continues to be successful in maintaining revenues from this type of business, however, competition for these contracts is increasing.

The corporation is also involved in aerospace subcontracting work for several commercial and military airframe manufacturing programs. This work has been affected by weakness in the domestic aircraft industry in the last several years. However, during 1995 there were indications from the commercial aircraft industry itself of some potential for renewed health in the industry, with the roll out of the new Boeing 777 being a prime example. Additionally, the Department of Defense announcement regarding longer term production of the McDonnell Douglas C-17 is an encouraging sign.

The K-MAX helicopter program, an important initiative for this segment, completed its first full year in commercial operation during 1995. K-MAX is a medium to heavy lift 'aerial truck' with operating characteristics that distinguish it from other helicopters for use in logging, fire fighting, reforestation, utility power line work, and other applications. During 1995,

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

research and development expenditures for the program decreased compared to expenditures for 1994 and prior periods, as initial development of the aircraft nears completion. The aircraft is now certified in the United States, Canada, and Switzerland; the approval process has been initiated in Japan. The special lease program for the first five (5) helicopters has been substantially completed; the corporation continues to lease certain of the aircraft, generally with initial customers. For the most part, the aircraft is now being sold in the United States and abroad. The production lot for 1995 consisted of six (6) aircraft and a similar number are scheduled for production in 1996. Management has deliberately taken a conservative approach to introducing this new model of helicopter and expects that sales and profitability will take some time to achieve. Management also believes that a conservative approach is prudent since the market has been affected by a number of military surplus aircraft that have been (and may be in the future) released to the public at lower cost than new aircraft.

During the third quarter of 1995, the K-MAX was chosen as the winner of the U.S. Navy Military Sealift Command vertical replenishment (VERTREP) demonstration competition. Two aircraft were used in the demonstration, which was conducted for a period of two months. Management believes that this may be another step taken by the federal government toward acquisition reform by evaluating the concept of charter/lease for this aircraft in a non-combat role. During the first quarter of 1996, the U.S. Navy issued a request for proposal for a six month VERTREP project scheduled to begin in April; the corporation is in the process of bidding for this work, which would involve two aircraft under a charter/lease arrangement.

The corporation had operating income of \$42.1 million and net earnings of \$19.6 million for 1995 compared to an operating loss of \$8.8 million and a net loss of \$13.2 million in 1994. After giving effect to the preferred stock dividend requirement, earnings available to common shareholders for 1995 were \$15.9 million compared to a loss of \$16.9 million a year ago. Results for 1994 reflect a pre-tax charge of \$44.0 million taken in the fourth quarter to write-down the corporation's investment in Raymond Engineering, a subsidiary of the Diversified Technologies group. The Diversified Technologies segment had operating profits of \$33.5 million for 1995 compared to a loss of \$17.2 million in the previous year, due to the Raymond write-down. About \$1.8

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

million of 1995 results for Diversified Technologies is attributable to a one-time gain on the sale of real estate. Operating profits in the Distribution segment declined slightly in 1995 to \$19.4 million from \$19.6 million in 1994. Although Industrial Distribution operating profits increased, such increase was more than offset by a reduction in Music Distribution operating profits. The reduction is attributable to higher than expected costs associated with efforts to expand Music Distribution's manufacturing and distribution in Europe and to softening in Asian and European markets during the year. The Industrial Distribution business continues to benefit from good general economic conditions and to some degree its internal efforts to develop value added systems and services which have differentiated it from its competitors.

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

The fourth quarter 1994 charge of \$44.0 million related to a write-down of the corporation's investment in Raymond Engineering and its merger into Kaman Aerospace Corporation, another Diversified Technologies subsidiary. The charge consisted of \$25.5 million to reflect management's judgment that its best estimate of Raymond Engineering's forecasted future operations, including interest expense, did not support the recoverability of its goodwill balance and a certain amount of its facilities and equipment; the write-down at estimated net realizable value of inventories whose cost was not expected to be recovered; and \$2.5 million for severance costs related to personnel reductions, \$6.5

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

million for contract close-out costs, and related expenses of \$4.0 million for items which will not benefit the ongoing activities of the merged organization. Implementation of the downsizing of Raymond's business and completion of merging operations of the two companies continued during 1995.

The third quarter 1993 charge reflects restructuring and other non-recurring costs in connection with the corporation's plan to reduce the size of its defense and commercial aircraft manufacturing business and implement defense conversion initiatives. About seventy percent (70%) of the charge has been used to write-off costs incurred for development, retooling and start-up for conversion initiatives, notably the K-MAX helicopter. The balance relates to personnel and facility reductions, contract close-out and related expenses associated with downsizing the defense and commercial aircraft manufacturing business.

The fully diluted earnings per share figures for 1995 include the potential conversion of the 6% convertible subordinated debentures, potential conversion of the corporation's Series 2 preferred stock and the exercise of stock options, since they were dilutive. The fully diluted loss per share figures for 1994 and 1993 do not reflect these potential conversions and exercises since their effect was anti-dilutive.

Interest expense increased 88% in 1995 compared to 1994; for 1994, interest expense decreased 33% compared to 1993. The increase is attributable to substantially higher average borrowings in 1995 due to increased capital requirements, and somewhat higher interest rates. The decrease for 1994 reflects in large part the exchange of Series 2 preferred stock for the majority of the outstanding 6% convertible subordinated debentures during the fourth quarter of 1993.

The corporation's consolidated effective income tax rate for 1995 was 40.1%. The corporation recorded an income tax benefit on its loss before income taxes at an overall rate of 7.1% for 1994, due primarily to a state income tax refund. The 1994 charge would probably have resulted in a higher income tax benefit, except for the fact that a substantial portion of the goodwill balance is non-deductible. The corporation recorded an income tax benefit of 28.9% for 1993, due primarily to the 1993 restructuring charge.

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

The Financial Accounting Standards Board recently issued Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation. This statement permits either the recording of the cost of stock-based compensation over the applicable vesting period or disclosure of the unrecorded cost and related effect on earnings per share in the financial statement footnotes. This statement will be effective for the corporation beginning in 1996 and management continues to evaluate the provisions of the statement as it prepares for adoption.

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

Finally, on January 1, 1993, the corporation adopted Statement of Accounting Standards No. 112 concerning accounting for certain post-employment benefits. Adoption of this statement did not result in any material adjustment to or disclosure in the consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES

The corporation's cash flow from operations has generally been sufficient to finance a significant portion of its working capital and other capital requirements. During 1995, the corporation's capital requirements increased compared to 1994 and this resulted in financing more of its requirements from bank borrowings compared to the prior year. These requirements included costs associated with the K-MAX helicopter program and working capital requirements due to increased business.

For general borrowing purposes during 1995, the corporation had maintained revolving credit agreements involving several banks located in the United States, Canada, and Europe, with a maximum unsecured line of credit of \$200 million. The agreements each had a

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

term of five years and contained provisions permitting the term to be extended for additional one-year periods upon concurrence of the parties (in the second quarter of 1995, the agreements were extended for an additional one year period). The agreements also contained various covenants, including debt to capitalization and consolidated net worth requirements. As of December 31, 1995, there were \$30.0 million in borrowings under these agreements. For the year ended December 31, 1995, average borrowings under these agreements were \$24.0 million. There were no borrowings under these agreements during 1994.

The corporation also maintains other short-term credit arrangements with various banks. As of December 31, 1995, these borrowings were at \$62.9 million. For the year ended December 31, 1995, average bank borrowings against these short-term arrangements were \$72.3 million compared to \$45.5 million for 1994.

In order to obtain increased flexibility in meeting its future business requirements, including working capital requirements for potential foreign sales of the SH-2 helicopter, the corporation replaced its existing revolving credit agreements with a new revolving credit facility on January 29, 1996. The new facility provides a maximum unsecured line of credit of \$250 million and involves a syndicate of eleven banks, both foreign and domestic, many of whom were participants in the previous agreements. The agreement has a term of five years and contains various covenants, including debt to capitalization, consolidated net worth requirements, and limitations on other indebtedness for borrowed money that the corporation may incur.

The corporation has a stock repurchase program under which it may repurchase slightly more than 700,000 Class A shares. As of December 31, 1995, a total of 188,000 Class A shares had been repurchased under the program. The primary purpose of the stock repurchase program is to meet the needs of the Employees Stock Purchase Plan and Stock Incentive Plan.

During the third quarter of 1993, the corporation made an offer pursuant to which holders of its 6% convertible subordinated debentures might exchange them for the corporation's newly created Series 2 preferred stock. The purpose of the offer was to increase the corporation's equity capital while reducing its indebtedness.

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

On October 22, 1993 the corporation issued \$57.2 million of preferred stock (representing 285,837 shares of preferred stock or 1,143,348 depositary shares) in exchange for \$61.8 million of debentures (66.73% of the amount actually tendered). The preferred stock is convertible to Class A common stock at a price of \$12.56 per share and has a 6.5% cumulative dividend rate.

The corporation recorded a net gain of \$3.0 million as a result of the exchange. While the transaction was favorable to the corporation from a debt to equity standpoint, it resulted in further dilution of outstanding common stock in the event of conversion of the preferred stock and some dilution of the earnings that would otherwise be available for common shareholders.

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

FORWARD-LOOKING STATEMENTS

This report includes forward-looking statements that describe the corporation's business prospects. Readers should keep in mind factors that could have an adverse impact on those prospects. These include political, economic, or other conditions, such as recessionary or expansive trends, inflation rates, currency exchange rates, taxes and regulations and laws affecting the business, and standard government contract provisions permitting termination for the convenience of the government; as well as product competition, pricing, the degree of acceptance of new products to the marketplace, and the difficulty of forecasting sales at various times in various markets.

 SELECTED QUARTERLY FINANCIAL DATA

(In thousands except per share amounts)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year

NET SALES:					
1995	\$207,982	\$221,509	\$225,629	\$241,278	\$896,398
1994	197,583	208,625	198,933	214,041	819,182
GROSS PROFIT:					
1995	\$ 55,816	\$ 56,279	\$ 56,433	\$ 61,109	\$229,637
1994	51,953	52,703	51,867	50,897	207,420
NET EARNINGS (LOSS):					
1995	\$ 5,550	\$ 4,663	\$ 4,571	\$ 4,818	\$ 19,602
1994	4,240	4,596	4,901	(26,918)	(13,181)
PER COMMON SHARE--PRIMARY:					
1995	\$.25	\$.20	\$.20	\$.21	\$.86
1994 .....	.18	.20	.22	(1.53)	(.93)
PER COMMON SHARE--FULLY DILUTED:					
1995	\$.24	\$.20	\$.20	\$.21	\$.85
1994 .....	.18	.20	.22	(1.53)	(.93)

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

The conversion of the convertible subordinated debentures and the Series 2 preferred stock along with the exercise of the stock options were not assumed in the net loss per common share -- primary and fully diluted calculations for the fourth quarter of and year 1994 because they had an anti-dilutive effect.

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 1995 AND 1994 KAMAN CORPORATION AND SUBSIDIARIES

(In thousands except share and per share amounts)		
	1995	1994
ASSETS		
CURRENT ASSETS:		
Cash	\$ 4,078	\$ 3,711
Accounts receivable	177,878	146,411
Inventories	192,734	160,224
Deferred income taxes	21,250	21,041
Other current assets	8,924	7,625
Total current assets	404,864	339,012
PROPERTY, PLANT AND EQUIPMENT, NET	83,054	84,621
GOODWILL, NET	8,131	8,486
OTHER ASSETS	4,020	10,830
	\$ 500,069	\$ 442,949

CONSOLIDATED BALANCE SHEETS continued
DECEMBER 31, 1995 AND 1994 KAMAN CORPORATION AND SUBSIDIARIES

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

Notes payable	\$ 62,851	\$ 52,659
Current portion of long-term debt	647	659
Accounts payable -- trade	61,729	54,561
Accrued salaries and wages	10,386	9,609
Accrued vacations	6,361	6,350
Accrued restructuring and other costs	13,542	27,650
Other accruals and payables	50,757	40,416
Income taxes payable	--	978

Total current liabilities 206,273 192,882

DEFERRED CREDITS 13,127 8,880

LONG-TERM DEBT, EXCLUDING CURRENT PORTION 66,386 37,433

SHAREHOLDERS' EQUITY:

Capital stock, \$1 par value per share:

Preferred stock, authorized 700,000 shares:

Series 2 preferred stock, 6 1/2% cumulative convertible (stated at liquidation preference of \$200 per share) authorized 500,000 shares, issued 285,837 shares in 1995 and 1994....	57,167	57,167
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Common stock:

Class A, authorized 48,500,000 shares, nonvoting; \$.10 per common share dividend preference; issued 17,788,233 shares in 1995 and 17,600,381 shares in 1994.....	17,788	17,600
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Class B, authorized 1,500,000 shares, voting; issued 667,814 shares in 1995 and 1994...	668	668
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Additional paid-in capital	19,319	17,853
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Retained earnings	120,399	112,592
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Unamortized restricted stock awards	(609)	(744)
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Equity adjustment from foreign currency translation	(280)	(444)
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214,452 204,692

Less 16,825 shares and 95,479 shares of Class A common stock in 1995 and 1994, respectively, held in treasury, at cost	(169)	(938)
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Total shareholders' equity 214,283 203,754

\$ 500,069 \$ 442,949

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS
YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993
KAMAN CORPORATION AND SUBSIDIARIES

(In thousands except per share amounts)	1995	1994	1993
REVENUES:			
Net sales	\$ 896,398	\$ 819,182	\$ 792,510
Other	3,078	1,592	1,582
	899,476	820,774	794,092
COSTS AND EXPENSES:			
Cost of sales	666,761	611,762	588,237
Selling, general and administrative expense.....	190,604	173,853	173,581
Interest expense	8,834	4,694	6,976
Restructuring, impairment and other costs	--	44,000	69,500
Other expense (income)	546	646	(3,728)
	866,745	834,955	834,566
EARNINGS (LOSS) BEFORE INCOME TAXES	32,731	(14,181)	(40,474)
INCOME TAXES (BENEFIT)	13,129	(1,000)	(11,679)
NET EARNINGS (LOSS)	\$ 19,602	\$ (13,181)	\$ (28,795)
PREFERRED STOCK DIVIDEND REQUIREMENT	\$ (3,716)	\$ (3,716)	\$ (702)
EARNINGS (LOSS) APPLICABLE TO COMMON STOCK	\$ 15,886	\$ (16,897)	\$ (29,497)
PER SHARE:			
Net earnings (loss) per common share:			
Primary	\$.86	\$ (.93)	\$ (1.63)
Fully diluted .....	.85	(.93)	(1.63)
Dividends declared:			
Series 2 preferred stock	13.00	13.00	1.37
Common stock .....	.44	.44	.44

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993
KAMAN CORPORATION AND SUBSIDIARIES

(In thousands except share amounts)	1995	1994	1993

SERIES 2 PREFERRED STOCK:			
Balance -- beginning of year	\$ 57,167	\$ 57,167	\$ --
Shares issued	--	--	57,167

Balance -- end of year	57,167	57,167	57,167

CLASS A COMMON STOCK:			
Balance -- beginning of year	17,600	17,600	17,600
Shares issued	188	--	--

Balance -- end of year	17,788	17,600	17,600

CLASS B COMMON STOCK	668	668	668

ADDITIONAL PAID-IN CAPITAL:			
Balance -- beginning of year	17,853	18,459	19,343
Employee stock plans	1,427	(611)	(409)
Restricted stock awards	39	5	(75)
Expenses relating to issuance of preferred stock	--	--	(400)

Balance -- end of year	19,319	17,853	18,459

RETAINED EARNINGS:			
Balance -- beginning of year	112,592	137,490	174,607
Net earnings (loss)	19,602	(13,181)	(28,795)
Dividends declared:			
Preferred stock	(3,716)	(3,716)	(392)
Common stock	(8,079)	(8,001)	(7,930)

Balance -- end of year	120,399	112,592	137,490

UNAMORTIZED RESTRICTED STOCK AWARDS:			
Balance -- beginning of year	(744)	(968)	(1,008)
Stock awards issued	(179)	(119)	(323)
Amortization of stock awards	314	343	363

Balance -- end of year	(609)	(744)	(968)

CONSOLIDATED STATEMENTS OF
CHANGES IN SHAREHOLDERS' EQUITY continued
YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993
KAMAN CORPORATION AND SUBSIDIARIES

EQUITY ADJUSTMENT FROM FOREIGN

CURRENCY TRANSLATION:

Balance -- beginning of year	(444)	(158)	52
Translation adjustment	164	(286)	(210)

Balance -- end of year	(280)	(444)	(158)
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TREASURY STOCK:

Balance -- beginning of year	(938)	(1,945)	(1,727)
Shares acquired in 1995-38,685; 1994-193,399;1993-315,961	(430)	(1,847)	(3,520)
Shares reissued under various stock plans	1,199	2,854	3,302

Balance -- end of year	(169)	(938)	(1,945)
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TOTAL SHAREHOLDERS' EQUITY	\$ 214,283	\$ 203,754	\$ 228,313
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See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993
KAMAN CORPORATION AND SUBSIDIARIES

(In thousands) 1995 1994 1993

CASH FLOWS FROM OPERATING ACTIVITIES:

Net earnings (loss)	\$ 19,602	\$(13,181)	\$(28,795)
Adjustments to reconcile net earnings (loss) to cash provided by (used in) operating activities:			
Depreciation and amortization	12,687	13,053	13,456
Net gain on sale of assets	(1,660)	--	(846)
Net gain on exchange of debentures	--	--	(3,037)
Restructuring, impairment and other costs	--	44,000	69,500
Deferred income taxes	10,171	(7,062)	(19,679)
Other, net	1,130	1,999	1,783
Changes in current assets and liabilities:			
Accounts receivable	(31,981)	19,204	13,058
Inventories	(33,583)	(44,273)	(22,155)
Other current assets	(1,299)	(2,864)	(229)
Accounts payable -- trade	7,294	3,315	(8,063)
Accrued expenses and payables ..	(3,206)	892	(7,614)
Income taxes payable	(978)	(2,361)	(248)

Cash provided by (used in) operating activities (21,823) 12,722 7,131

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sale of property, plant and equipment and other assets	4,210	195	1,014
Expenditures for property, plant and equipment	(11,503)	(21,581)	(20,428)
Other, net	(99)	(482)	689

Cash provided by (used in) investing activities (7,392) (21,868) (18,725)

CONSOLIDATED STATEMENTS OF CASH FLOWS continued
YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993
KAMAN CORPORATION AND SUBSIDIARIES

CASH FLOWS FROM FINANCING ACTIVITIES:

Changes in notes payable	\$ 10,192	\$ 21,498	\$ 23,493
Changes in current portion of			
long-term debt	(12)	(45)	(59)
Additions to long-term debt	30,000	--	--
Reduction of long-term debt	(1,047)	(834)	(1,108)
Proceeds from exercise of employee			
stock plans	2,674	2,128	2,500
Purchases of treasury stock	(430)	(1,847)	(3,520)
Dividends paid --			
Series 2 preferred stock	(3,716)	(3,716)	(392)
Dividends paid -- common stock	(8,079)	(8,001)	(7,930)
Other, net	--	(171)	--

Cash provided by (used in)
financing activities .. 29,582 9,012 12,984

NET INCREASE (DECREASE) IN CASH	367	(134)	1,390
CASH AT BEGINNING OF YEAR	3,711	3,845	2,455
CASH AT END OF YEAR	\$ 4,078	\$ 3,711	\$ 3,845

SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES:

On October 22, 1993, the corporation exchanged \$61,804 of its 6% convertible subordinated debentures for \$57,167 of its new Series 2 preferred stock.

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995, 1994 AND 1993
(In thousands except share and per share amounts)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

USE OF ESTIMATES The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

LONG-TERM CONTRACTS -- REVENUE RECOGNITION

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

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

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

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

GOODWILL Amortization of goodwill is calculated on a straight-line method over its estimated useful life but not in excess of forty years. Such amortization amounted to \$355 in 1995, \$1,318 in 1994 and \$1,268 in 1993.

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

RESEARCH AND DEVELOPMENT Research and development costs not specifically covered by contracts are charged against income as incurred. Such costs amounted to \$13,664 in 1995, \$21,062 in 1994 and \$18,350 in 1993.

INCOME TAXES Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases using enacted tax rates expected to apply in the years in which temporary differences are expected to be recovered or settled.

RESTRUCTURING, IMPAIRMENT AND OTHER COSTS

The corporation recorded pre-tax charges in 1994 and 1993, both reflecting its strategy for addressing trends in U.S. defense planning and spending priorities. Specifically, in 1994 the corporation recorded charges of \$44,000 before taxes (\$32,100 after taxes or \$1.76 per common share); in 1993, the charge was \$69,500 before taxes (\$45,500 after taxes or \$2.52 per common share).

The 1994 fourth quarter charge of \$44,000 represents a write-down of the corporation's investment in Raymond Engineering, a diversified technologies subsidiary, in anticipation of a reduction in the size of its operation and certain of its product lines, and its merger into Kaman Aerospace, another Kaman subsidiary. When fully implemented, the consolidation is expected, on an overall

basis, to result in reduced overheads and enhanced administrative and operational efficiency. This will assist the merged organization in positioning itself to compete more effectively in a defense environment which seems increasingly likely to favor the use of commercial technology products where possible. Approximately seventy percent (70%) of the charge represented the write-down of impaired assets, including goodwill, facilities and equipment, and inventories. A variety of factors contributed to the impairment of Raymond's assets. These included defense spending reductions, changes in defense planning and spending priorities, and technological evolution in certain product areas where Raymond has done business. In order for Raymond to compete in these product areas in the future, varying levels of investment in technological development would be required. In the fourth quarter of 1994, the corporation determined that it was not economically feasible to make such investments in those products which were unable to demonstrate potential for success. Consequently, the corporation's best estimate of Raymond's forecasted future operations, including interest expense, was that they did not support the recoverability of goodwill and a certain amount of facilities and equipment, which resulted in the write-down of approximately \$25,500 for these items. In addition, inventories whose cost was not expected to be recovered were written down to estimated net realizable value during the fourth quarter. The remainder of the charge relates to personnel reductions and other expenses associated with downsizing Raymond's business. The majority of work force reductions have involved management and administrative employees whose functions are redundant to the merged organization. Severance payments of approximately \$2,500 are to be made in accordance with Raymond's written severance pay policy and, in certain cases, individually negotiated agreements. Other expenses include contract close-out costs of \$6,500 and related expenses of \$4,000 for items which will not benefit the continuing activities of the merged organization. Through December 31, 1995, \$2,200 of the severance accrual and \$3,000 of the contract close-out costs and related expense accruals were utilized.

The 1993 third quarter charge of \$69,500 represented restructuring and other costs in connection with the corporation's plan to reduce the size of its defense and commercial aircraft manufacturing business and develop defense conversion initiatives. About seventy percent (70%) of the charge has been used to write-off costs for development, retooling, and start-up of the conversion initiatives, notably the K-MAX(Registered Trademark) helicopter program. The balance relates to personnel and facility reductions, contract close-out and related expenses associated with the downsizing of the defense and commercial manufacturing businesses.

EXCHANGE OF CONVERTIBLE SUBORDINATED DEBENTURES

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

ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	December 31, 1995	1994

Trade receivables, net of allowance for doubtful accounts of \$2,289 in 1995, \$1,665 in 1994	\$ 76,659	\$ 66,477
U.S. Government contracts:		
Billed	43,380	36,407
Recoverable costs and accrued profit -- not billed	37,597	19,585
Commercial contracts:		
Billed	7,866	12,004
Recoverable costs and accrued profit -- not billed	12,376	11,938

Total	\$177,878	\$146,411

Recoverable costs and accrued profit - not billed represent costs incurred on contracts, including contract retentions, which will become billable upon future deliveries or completion of engineering and service type contracts. Management estimates that approximately \$14,162 of such costs and accrued profits at December 31, 1995 will be collected after one year.

INVENTORIES

Inventories are comprised as follows:

	December 31, 1995	1994

Merchandise for resale	\$107,407	\$ 96,918
Contracts in process:		
U.S. Government	9,397	10,834
Commercial	2,110	2,376
Other work in process (including certain general stock materials and spare parts)	50,950	32,814
Finished goods	22,870	17,282

Total	\$192,734	\$160,224

Progress payments of approximately \$2,683 were netted against contracts in process at December 31, 1994.

The aggregate amounts of general and administrative costs allocated to contracts in process during 1995, 1994 and 1993 were \$46,833, \$44,979 and \$54,551, respectively.

The estimated amounts of general and administrative costs remaining in contracts in process at December 31, 1995 and 1994 amount to \$2,134 and \$2,733, respectively, and are based on the ratio of such allocated costs to total costs incurred.

PROPERTY, PLANT AND EQUIPMENT, NET

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

	December 31,	
	1995	1994

Land	\$ 8,382	\$ 8,521
Buildings	57,063	57,383
Leasehold improvements	14,023	13,123
Machinery, office furniture and equipment	109,849	104,376

Total	189,317	183,403
Less accumulated depreciation and amortization	106,263	98,782

Property, plant and equipment, net	\$ 83,054	\$ 84,621

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

SHORT-TERM BORROWINGS The corporation has arrangements with several banks to borrow funds on a short-term basis with interest at current market rates. There were borrowings of \$62,851 outstanding under these arrangements at December 31, 1995.

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

	December 31, 1995	1994

Unsecured notes:		
Revolving credit agreements	\$30,000	\$ --
Convertible subordinated		
debentures	33,191	33,191
Other obligations	3,842	4,901

Total	67,033	38,092
Less current portion	647	659

Total excluding current portion	\$66,386	\$37,433

REVOLVING CREDIT AGREEMENTS The corporation has two revolving credit agreements involving several domestic and foreign lenders. The agreements provide an aggregate maximum commitment of \$200,000 and each agreement expires in 2000. Interest under both agreements is payable at various market rates.

CONVERTIBLE SUBORDINATED DEBENTURES The corporation issued \$95,000 of its 6% convertible subordinated debentures during 1987. The debentures are convertible into shares of the Class A common stock of Kaman Corporation at any time on or before March 15, 2012 at a conversion price of \$23.36 per share at the option of the holder unless previously redeemed by the corporation. Pursuant to a sinking fund requirement beginning March 15, 1997, the corporation will redeem 5% of the outstanding principal amount of the debentures annually. The debentures are subordinated to the claims of senior debt holders and general creditors. The corporation exchanged \$61,804 of these debentures for its new Series 2 preferred stock on October 22, 1993. The remaining debentures have a fair value of \$27,217 at December 31, 1995 based upon current market prices.

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

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

1996	\$ 647
1997	2,295
1998	2,242
1999	2,165
2000	1,915

RESTRICTIVE COVENANTS The most restrictive of the covenants contained in the loan agreements require the corporation to have operating income, as defined, at least equal to 250% of interest expense; consolidated total indebtedness to total capitalization of not more than 45%; and consolidated net worth at least equal to \$200,000.

NEW REVOLVING CREDIT AGREEMENT On January 29, 1996, the corporation entered into a new revolving credit agreement with an expanded group of domestic and foreign lenders which replaces the two revolving credit agreements described above. The new agreement provides for an aggregate maximum commitment of \$250,000 and expires in 2001. The most restrictive of the covenants contained in the new agreement requires the corporation to have operating income, as defined, at least equal to 250% of interest expense through December 31, 1997 and 275% thereafter; consolidated total indebtedness to total capitalization of not more than 55%; and consolidated net worth at least equal to \$200,000.

INTEREST PAYMENTS Cash payments for interest were \$8,587, \$4,572 and \$8,092 for 1995, 1994 and 1993, respectively.

INCOME TAXES

The components of income taxes are as follows:

	1995	1994	1993

Current:			
Federal	\$ 1,958	\$ 6,362	\$ 6,250
State	1,000	(300)	1,750

	2,958	6,062	8,000

Deferred:			
Federal	8,192	(5,762)	(17,929)
State	1,979	(1,300)	(1,750)

	10,171	(7,062)	(19,679)

Total	\$ 13,129	\$ (1,000)	\$(11,679)

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

	December 31,	
	1995	1994

Deferred tax assets:		
Long-term contracts	\$ 2,531	\$ 1,908
Deferred employee benefits	7,371	7,093
Restructuring, impairment and other costs	8,860	20,050
Inventory	1,238	2,121
Accrued liabilities and other items	7,170	6,678

Total deferred tax assets	27,170	37,850

Deferred tax liabilities:		
Depreciation and amortization	(4,715)	(6,319)
Other items	(4,135)	(3,040)

Total deferred tax liabilities ...	(8,850)	(9,359)

Net deferred tax asset	\$ 18,320	\$ 28,491

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

The provisions for federal income taxes approximate the amounts computed by applying the U.S. federal income tax rate to earnings (loss) before income taxes after giving effect to state income taxes. The federal tax provision was reduced by \$4,600 in 1994 as a result of the non-deductible portion of the write-down of goodwill. The federal tax benefit in 1993 was reduced \$1,800 to provide for prior years' tax examinations. Cash payments for income taxes were \$3,953, \$8,255 and \$7,988 in 1995, 1994 and 1993, respectively.

PENSION PLAN

The corporation has a non-contributory defined benefit pension plan covering all of its full-time employees. Benefits under this plan are based upon an employee's years of service and compensation levels during employment and there is an offset provision for social security benefits. It is the corporation's policy to fund pension costs accrued. Plan assets are invested in a diversified portfolio consisting of equity and fixed income securities (including \$8,483 of Class A common stock of Kaman Corporation at December 31, 1995).

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

	1995	1994	1993

Service cost for			
benefits earned			
during the year	\$ 8,991	\$ 9,636	\$ 8,661
Interest cost on			
projected benefit			
obligation	18,065	16,558	15,900
Actual return on plan			
assets	(58,243)	(1,848)	(21,498)
Net amortization and			
deferral	36,725	(17,543)	2,200

Net pension cost	\$ 5,538	\$ 6,803	\$ 5,263

The funded status of the pension plan is as follows:

	December 31,	
	1995	1994

Actuarial present value of		
accumulated benefit obligation:		
Vested benefits	\$ 224,699	\$ 200,745
Non-vested benefits	1,967	2,153

Total	\$ 226,666	\$ 202,898

Actuarial present value of		
projected benefit obligation	\$ 258,111	\$ 233,312
Plan assets at fair value	279,173	226,054

Excess (deficiency) of assets over		
projected benefit obligation	21,062	(7,258)
Unrecognized prior service cost	(566)	(621)
Unrecognized net loss	(10,896)	18,503
Unrecognized net transition asset	(11,122)	(12,976)

Accrued pension cost	\$ 1,522	\$ 2,352

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

	December 31,	
	1995	1994

Discount rate	7 1/2%	8%
Average rate of increase		
in compensation levels	4 1/2%	5%

The expected long-term rates of return on plan assets used to compute the net periodic pension costs were 9% for 1995 and 1994.

COMMITMENTS AND CONTINGENCIES

Rent commitments under various leases for office space, warehouse, land and buildings expire at varying dates from January 1996 to December 2008. Certain annual rentals are subject to renegotiation, with certain leases renewable for varying periods. Lease periods for machinery and equipment vary from 1 to 7 years.

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

The following future minimum rental payments are required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of December 31, 1995:

1996	\$ 11,476
1997	6,436
1998	4,659
1999	3,572
2000	2,997
Later years	2,136

Total	\$ 31,276

Lease expense for all operating leases, including leases with terms of less than one year, amounted to \$14,158, \$14,150 and \$15,172 for 1995, 1994 and 1993, respectively.

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

COMPUTATION OF EARNINGS (LOSS) PER COMMON SHARE

The primary earnings (loss) per common share computation is based on the weighted average number of shares of common stock outstanding in 1995, 1994 and 1993 and includes the common stock equivalency of options granted to employees under the stock incentive plan. The fully diluted earnings per share computation also assumes that the 6% convertible subordinated debentures are converted at the beginning of each year with the resultant reduction in interest costs net of tax and the additional dilutive effect of the stock options.

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

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

EMPLOYEES STOCK PURCHASE PLAN

The Kaman Corporation Employees Stock Purchase Plan allows employees to purchase Class A common stock of the corporation, through payroll deductions, at 85% of the market value of shares at the time of purchase. The plan provides for the grant of rights to employees to purchase a maximum of 1,500,000 shares of Class A common stock of the corporation commencing July 1, 1989. Effective November 1, 1993, the maximum number of shares available for issuance under the Plan was replenished to 1,500,000 shares. There are no charges or credits to income in connection with the plan. During 1995, 218,028 shares were issued to employees at prices ranging from \$9.03 to \$10.94 per share. During 1994, 248,223 shares were issued to employees at prices ranging from \$7.54 to \$8.61 per share. During 1993, 241,808 shares were issued to employees at prices ranging from \$7.86 to \$9.78 per share. At December 31, 1995, there were approximately 990,550 shares available for offering under the plan.

STOCK INCENTIVE PLAN

Effective November 1, 1993, the corporation adopted the 1993 Stock Incentive Plan. The 1993 Plan includes a continuation and extension of the stock incentive program of the corporation set forth in the 1983 Stock Incentive Plan which terminated on October 31, 1993.

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

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

At December 31, 1995, there were outstanding options issued under the plan for the purchase of 677,047 shares at prices ranging from \$7.50 to \$11.38 per share. As of that date options covering 424,807 shares were exercisable at \$7.50 to \$11.25 per share. Options for 132,857, 12,104 and 37,929 shares were exercised during 1995, 1994 and 1993, respectively, at prices ranging from \$7.50 to \$9.88 per share. Restricted stock awards were made for 30,000 shares at \$11.38 per share in 1995, 12,000 shares at \$9.94 per share in 1994 and 34,000 shares at \$9.50 per share in 1993. At December 31, 1995, there were 64,300 shares remaining subject to restrictions pursuant to these awards. No stock appreciation rights have been issued under the plan.

The Financial Accounting Standards Board recently issued Statement of Financial Accounting Standards No. 123 (SFAS 123), Accounting for Stock-Based Compensation. SFAS 123 permits either the recording of the cost of stock-based compensation over the applicable vesting period or disclosing the unrecorded cost and related effect on earnings per share in the financial statement footnotes. The corporation continues to evaluate the provisions of this statement, which will be effective for 1996, as it prepares for adoption.

SEGMENT INFORMATION

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

Through its diversified technologies operations, the corporation provides a range of technical professional services involving either advanced information technologies or high technology science and engineering to Department of Defense and other government customers; advanced technology products such as electromagnetic motors, sliding bearings, and non-contact measuring systems for military and industrial customers; commercial airframe subcontracting programs, safety and fusing systems, and manufacturing work along with spare parts and logistics for the SH-2 helicopter. The K-MAX(Registered Trademark) helicopter program, a significant commercial effort for the corporation, is included in the Diversified Technologies segment. The Diversified Technologies' segment operating profit for 1995 includes a gain of approximately \$1,800 on the sale of real estate. The Diversified Technologies' segment operating loss for 1994 reflects the effect of the \$44,000 fourth quarter charge associated with the write-down of the investment in Raymond Engineering, its merger into Kaman Aerospace, and the downsizing of Raymond's business. In addition,

the Diversified Technologies' segment operating loss for 1993 includes the impact of the \$69,500 charge for restructuring and other costs accrued in the third quarter to address various downsizing and product conversion efforts.

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

Summarized financial information by business segment is as follows:

	1995	1994	1993

Net sales:			
Diversified			
Technologies	\$322,614	\$310,279	\$341,621
Distribution	573,784	508,903	450,889

	\$896,398	\$819,182	\$792,510
=====			
Operating profit (loss):			
Diversified			
Technologies	\$ 33,492	\$(17,226)	\$(41,346)
Distribution	19,355	19,558	16,521

	52,847	2,332	(24,825)
Interest, corporate			
and other income/			
expense, net	20,116	16,513	15,649

Earnings (loss) before			
income taxes	\$ 32,731	\$(14,181)	\$(40,474)
=====			
Identifiable assets:			
Diversified			
Technologies	\$267,037	\$236,239	\$252,450
Distribution	223,495	198,145	177,608
Corporate	9,537	8,565	10,138

	\$500,069	\$442,949	\$440,196
=====			

Capital expenditures:

Diversified			
Technologies	\$ 6,472	\$ 17,396	\$ 13,678
Distribution	4,440	3,732	6,207
Corporate	591	453	543

	\$ 11,503	\$ 21,581	\$ 20,428
=====			

Depreciation and amortization:

Diversified			
Technologies	\$ 8,208	\$ 9,307	\$ 9,439
Distribution	3,568	2,946	3,197
Corporate	911	800	820

	\$ 12,687	\$ 13,053	\$ 13,456
=====			

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

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

Net sales by the Diversified Technologies segment made under contracts with U.S. Government agencies (including sales to foreign governments through foreign military sales contracts with U.S. Government agencies) account for \$228,658 in 1995, \$249,854 in 1994 and \$279,530 in 1993.

REPORT OF INDEPENDENT AUDITORS

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

THE BOARD OF DIRECTORS AND SHAREHOLDERS
KAMAN CORPORATION:

We have audited the accompanying consolidated balance sheets of Kaman Corporation and subsidiaries as of December 31, 1995 and 1994, and the related consolidated statements of earnings, changes in shareholders' equity and cash flows for each of the years in the three year period ended December 31, 1995. These consolidated financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Kaman Corporation and subsidiaries at December 31, 1995 and 1994 and the results of their operations and their cash flows for each of the years in the three year period ended December 31, 1995 in conformity with generally accepted accounting principles.

/s/ KPMG PEAT MARWICK LLP

January 29, 1996

ELEVEN-YEAR SELECTED FINANCIAL DATA
KAMAN CORPORATION AND SUBSIDIARIES

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

	1995	1994	1993	1992	1991

OPERATIONS:					
Revenues.....	\$899,476	\$820,774	\$794,092	\$784,732	\$780,357
Cost of sales	666,761	611,762	588,237	583,638	582,641
Selling, general and administrative expense.....	190,604	173,853	173,581	164,603	160,824
Restructuring, impairment and other costs.....	--	44,000	69,500	--	--
Operating income (loss)	42,111	(8,841)	(37,226)	36,491	36,892
Interest expense	8,834	4,694	6,976	7,086	8,191
Other expense (income)	546	646	(3,728)	401	359
Earnings (loss) before income taxes.....	32,731	(14,181)	(40,474)	29,004	28,342
Income taxes (benefit)	13,129	(1,000)	(11,679)	11,628	11,375
Net earnings (loss)	19,602	(13,181)	(28,795)	17,376	16,967
FINANCIAL POSITION:					
Current assets	\$404,864	\$339,012	\$316,601	\$334,581	\$309,970
Current liabilities	206,273	192,882	166,765	122,015	110,916
Working capital	198,591	146,130	149,836	212,566	199,054
Property, plant and equipment, net.....	83,054	84,621	81,711	73,262	75,233
Total assets	500,069	442,949	440,196	443,445	421,866
Long-term debt	66,386	37,433	37,977	100,889	102,053
Shareholders' equity	214,283	203,754	228,313	209,535	202,150
PER SHARE AMOUNTS:					
Net earnings (loss) per common share--primary...	\$.86	\$ (.93)	\$ (1.63)	\$.95	\$.93
Net earnings (loss) per common share--fully diluted	.85	(.93)	(1.63)	.93	.91
Dividends declared -- Series 2 preferred stock....	13.00	13.00	1.37	--	--
Dividends declared--common stock	.44	.44	.44	.44	.44
Shareholders' equity -- common stock	8.52	8.07	9.46	11.58	11.07
Market price range	13 3/8 10	11 1/8 8 1/2	12 1/8 8 5/8	10 3/4 7 7/8	9 5/8 7 3/8
GENERAL STATISTICS:					
Shareholders	7,646	7,198	6,920	6,994	7,139
Employees	5,400	5,239	5,363	5,424	5,544

EXHIBIT 21

KAMAN CORPORATION

SUBSIDIARIES

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

Name	State of Incorporation

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

EXHIBIT 23

CONSENT OF INDEPENDENT AUDITORS

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

The Board of Directors and Shareholders
Kaman Corporation:

We consent to incorporation by reference in the Registration Statements (Nos. 33-51483 and 33-51485) on Form S-8 of Kaman Corporation of our reports dated January 29, 1996, relating to the consolidated balance sheets of Kaman Corporation and subsidiaries as of December 31, 1995 and 1994 and the related consolidated statements of earnings, changes in shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 1995, and all related schedules, which reports appear or are incorporated by reference in the December 31, 1995 annual report on Form 10-K of Kaman Corporation.

/s/ KPMG Peat Marwick LLP

Hartford, Connecticut
March 22, 1996

EXHIBIT 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned does hereby appoint and constitute Charles H. Kaman and Robert M. Garneau and each of them as his or her agent and attorney-in-fact to execute in his or her name, place and stead (whether on behalf of the undersigned individually or as an officer or director of Kaman Corporation or otherwise) the Annual Report on Form 10-K of Kaman Corporation respecting its fiscal year ended December 31, 1995 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 22nd day of March, 1996.

E. Reeves Callaway, III

Eileen S. Kraus

Frank C. Carlucci

Hartzel Z. Lebed

John A. DiBiaggio

Harvey S. Levenson

Edythe J. Gaines

Walter H. Monteith, Jr.

Huntington Hardisty

John S. Murtha

Charles H. Kaman

Wanda L. Rogers

C. William Kaman, II

THE SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM
THE COMPANY'S 1995 ANNUAL REPORT TO SHAREHOLDERS AND IS QUALIFIED
IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

0000054381
KAMAN CORPORATION
1,000

YEAR			
	DEC-31-1995		
	JAN-01-1995		
	DEC-31-1995		
		4,078	
		0	
		180,167	
		(2,289)	
		192,734	
		404,864	
		189,317	
		(106,263)	
		500,069	
	206,273		
		66,386	
	0		
		57,167	
		18,456	
		138,660	
500,069			
		896,398	
	899,476		
		666,761	
		857,365	
		546	
		0	
	8,834		
	32,731		
		13,129	
	19,602		
		0	
		0	
		0	
		19,602	
		.86	
		.85	

