

KAMAN CORP  
Form 10-Q  
August 06, 2009

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended July 3, 2009

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 Number: 0-1093

KAMAN CORPORATION

(Exact name of registrant as specified in its charter)

Connecticut

06-0613548

(State or other jurisdiction of incorporation or organization)

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

1332 Blue Hills Avenue  
Bloomfield, Connecticut 06002

(Address of principal executive offices) (Zip Code)

(860) 243-7100

(Registrant's telephone number, including area code)

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      ☒      No      ☐

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes        o        No        o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer x   Accelerated filer o   Non-accelerated filer o   Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes        o        No        x

At July 31, 2009, there were 25,667,243 shares of Common Stock outstanding.

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## PART I

## Item 1. Financial Statements

## CONDENSED CONSOLIDATED BALANCE SHEETS

## KAMAN CORPORATION AND SUBSIDIARIES

(In thousands, except share and per share amounts) (Unaudited)

	July 3, 2009	December 31, 2008
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 12,419	\$ 8,161
Accounts receivable, net	137,228	173,847
Inventories	291,261	255,817
Deferred income taxes	21,993	23,851
Income taxes receivable	-	3,450
Other current assets	20,068	21,390
Total current assets	482,969	486,516
Property, plant and equipment, net	80,146	79,476
Goodwill	88,482	83,594
Other intangibles assets, net	30,089	28,211
Deferred income taxes	72,483	71,926
Other assets	16,383	12,890
Total assets	\$ 770,552	\$ 762,613
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Notes payable	\$ 1,618	\$ 1,241
Current portion of long-term debt	5,000	5,000
Accounts payable – trade	70,827	84,059
Accrued salaries and wages	18,153	21,104
Accrued pension costs	1,095	5,878
Accrued contract losses	3,397	9,714
Advances on contracts	1,397	10,612
Other accruals and payables	39,532	39,467
Income taxes payable	3,247	1,464
Total current liabilities	144,266	178,539
Long-term debt, excluding current portion	84,000	87,924
Deferred income taxes	8,738	7,926
Liability for pension benefits	161,882	168,148
Due to Commonwealth of Australia	31,188	-
Other long-term liabilities	45,999	45,805
Commitments and contingencies		
Shareholders' equity:		
Capital stock, \$1 par value per share:		
Preferred stock, 200,000 shares authorized; none outstanding	-	-
Common stock, 50,000,000 shares authorized, 25,706,324 and		

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25,514,525 shares issued, respectively	25,706	25,515
Additional paid-in capital	87,531	85,073
Retained earnings	291,383	283,789
Accumulated other comprehensive income (loss)	(109,608)	(119,658)
Less 48,182 and 43,907 shares of common stock, respectively, held in treasury, at cost	(533 )	(448 )
Total shareholders' equity	294,479	274,271
Total liabilities and shareholders' equity	\$ 770,552	\$ 762,613

See accompanying notes to the condensed consolidated financial statements.

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

## KAMAN CORPORATION AND SUBSIDIARIES

(In thousands, except per share amounts) (Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	July 3,	June 27,	July 3,	June 27,
	2009	2008	2009	2008
Net sales	\$ 293,223	\$ 316,285	\$ 587,258	\$ 602,066
Cost of sales	214,752	230,013	431,092	439,203
Gross profit	78,471	86,272	156,166	162,863
Selling, general and administrative expenses	62,251	63,774	130,636	126,472
Goodwill impairment	-	7,810	-	7,810
Net (gain)/loss on sale of assets	53	97	(40 )	207
Operating income from continuing operations	16,167	14,591	25,570	28,374
Interest expense, net	866	463	1,969	462
Other expense, net	1,081	321	1,284	462
Earnings from continuing operations	&#16			