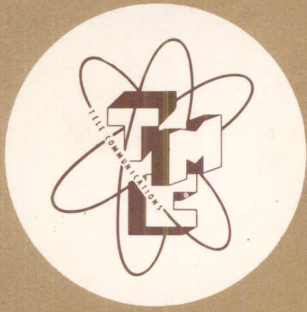
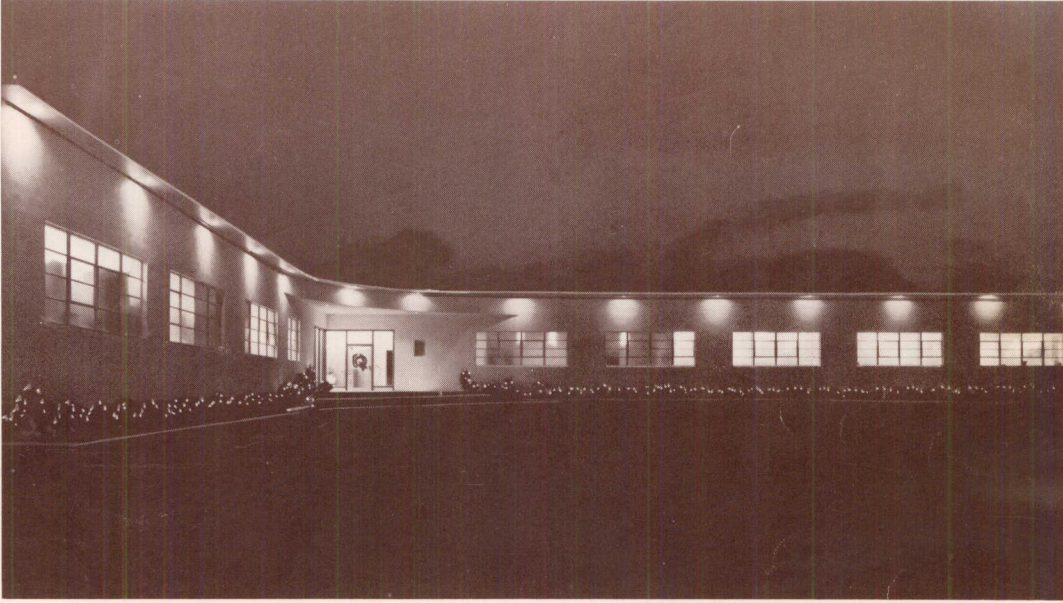


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**THE
TECHNICAL
MATERIEL
CORPORATION**



Annual Report

1959

It is a distinct pleasure to report that sales and earnings of your Corporation reached a new all-time high during the year ending September 30, 1959.

This record is particularly significant in that it indicates a ready acceptance and use of the more than 100 proprietary items which we manufacture and sell. It is no accident that more than half of these items have been given joint Army/Navy nomenclature.

In its history this corporation has never sustained a loss, and returns on invested capital have been very satisfactory.

With continued growth, however, additional working capital was required and hence our public sale of stock.

This corporation was in excellent financial condition before our public offering, but the impact of the additional capital should provide for further desirable expansion. Our production facilities have been tripled to make room for not less than four new products which should come into production in the coming year. Field engineering and systems work will be greatly expanded in this country and abroad.

Your Corporation is in the communications business, and it is a little difficult to describe the scope and breadth of such a business in a few words. However, there is certainly no reason to assume that the present rate of growth will not continue. Rather, we look forward to another "greatest" year coming up.

Cordially,




A Message from The President

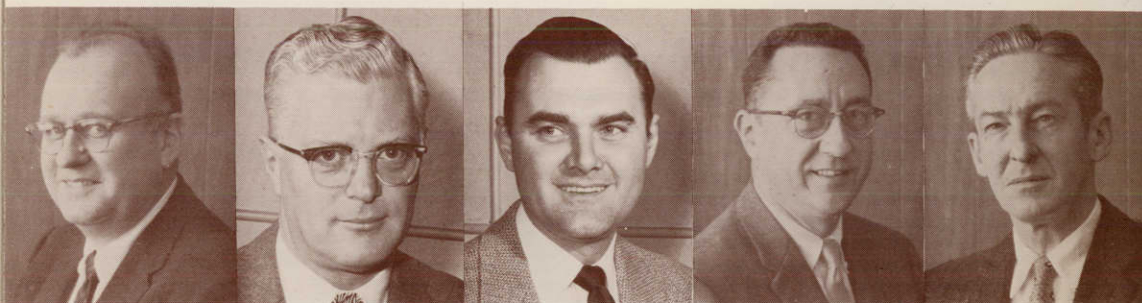


THE TECHNICAL MATERIEL CORPORATION

A Corporation Grows with its People

We at TMC are proud of the fact that from our executive staff throughout the organization we have a cohesive group working for the betterment of the organization as a whole. This extends right down to our "Happy Jack" mascot who is shown below admiring his new 5 year TMC pin.

OFFICERS



William J. Galione
Executive Vice President

William L. Deans
Vice President

Ernest A. Matson, Jr.
Vice President

John E. Galione
Secretary

Donald H. Tinker
Treasurer/Controller



The Technical Materiel Corporation
and Subsidiaries

Consolidated Balance Sheet

September 30, 1959

ASSETS

CURRENT ASSETS

Cash	\$1,034,523.52
Accounts Receivable (partially pledged) (Note 1)	589,498.90
Inventories	758,609.25
Advances to Employees for Expenses	6,546.66
Other Receivables	11,414.77
Unexpired Insurance	14,837.25
Due From Officers	12,785.14
Due From Employees for Stock Subscriptions	24,244.00
TOTAL CURRENT ASSETS	\$2,452,459.49

PROPERTY, PLANT & EQUIPMENT

Land	\$ 21,610.00
Building & Building Equipment	381,879.18
Machinery & Equipment	161,594.63
Office Equipment & Fixtures	38,678.21
Leasehold Improvements	2,311.96
Automobiles & Trucks	42,514.47
	648,588.45
Less—Accumulated Depreciation & Amortization.....	195,074.71
Balance	453,513.74
Advance Payment on Leasehold Improvements.....	7,500.00
TOTAL	461,013.74
Investment in Securities of Affiliate Technical Materiel Development (Canada) Limited.....	5,400.00

TOTAL ASSETS **\$2,918,873.23**

Note 1—

Technical Materiel Corp.: Bank Loan of \$106,444.70 secured by assigned Accounts Receivable of \$160,278.00.

T.M.C. (Canada) Ltd.: Bank Loan of \$75,000.00 secured by a general assignment of all contracts.

The Technical Materiel Corporation
and Subsidiaries

Consolidated Balance Sheet

September 30, 1959

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

Loans Payable—Bank (Secured) (Note 1)	\$ 181,444.70
Accounts Payable—Trade	231,703.44
Mortgage Installments due within 1 year	29,023.46
Taxes Payable—Payroll	38,540.53
Federal and Canadian Income and Franchise Taxes	355,517.44
Accrued Expenses	79,010.71
Sundry Payables	1,317.83
Due to Technical Materiel Development (Canada) Ltd.....	19,000.00
TOTAL CURRENT LIABILITIES	\$ 935,558.11

OTHER LIABILITIES

*Mortgage Payable (less amount included above)

124,666.67

TOTAL LIABILITIES **\$1,060,224.78**

MINORITY INTEREST:

	Capital	Surplus	Total
T.M.C. (Canada) Ltd.....	\$ 602.00	\$13,291.64	\$13,893.64
T.M.C. Industrial Corp.....	1,500.00	42,478.40	43,978.40
	2,102.00	55,770.04	57,872.04
			<u>\$1,118,096.82</u>

CAPITAL STOCK and SURPLUS

Capital Stock: Common 50 cents Par Value	
Authorized 600,000 shares	
Outstanding 550,000 shares	275,000.00

SURPLUS:

Capital Surplus	868,276.38
Earned Surplus	657,500.03
Total	1,525,776.41

TOTAL CAPITAL and SURPLUS **1,800,776.41**

TOTAL LIABILITIES and CAPITAL **\$2,918,873.23**

*This mortgage is deemed due and payable in the event of default of 700 Waverly Avenue mortgage.

General Note: More detailed information as to possible contingent liabilities is contained in the audit report to the Corporation.

The Technical Materiel Corporation and Subsidiaries

Consolidated Statement of Income Profit and Loss For The Fiscal Year Ended September 30, 1959

INCOME

Net Sales	\$5,028,453.07
Cost of Goods Sold	<u>3,268,548.07</u>
Gross Profit	\$1,759,905.00

EXPENSES

General and Administrative	\$789,891.36
Engineering Expenses	<u>324,780.64</u>
Total Expenses	1,114,672.00
Net Profit From Operations	645,233.00
Other Income	19,505.99
Net Income (Before Taxes)	664,738.99
Provision for Federal and Canadian Income Taxes	<u>328,256.66</u>
Balance	336,482.33

Less:

Applicable to Minority Interest	12,314.50
Balance—Retained Earnings	<u>\$ 324,167.83</u>

Earnings per share based on 465,000 shares (original issue)70
Earnings per share based on 550,000 shares (outstanding)59

AUDITOR'S REPORT

To the Board of Directors,
THE TECHNICAL MATERIEL CORPORATION:

I have examined the balance sheet of The Technical Materiel Corporation and subsidiaries consolidated as at September 30, 1959 and the related statements of profit and loss and earned and capital surplus for the fiscal year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances. Confirmation of amounts due from U. S. Government Departments was not obtainable, but other auditing procedures deemed appropriate were followed in respect of such amounts. As to T.M.C. (Canada) Limited, the amounts included in the consolidated financial statements are based upon the opinion of other accountants.

In my opinion based upon my examination and upon the aforementioned opinion of other accountants, the accompanying balance sheet, statement of profit and loss and earned and capital surplus and the notes thereto present fairly the financial position of The Technical Materiel Corporation and subsidiaries consolidated at September 30, 1959 and the result of their operation for the year then ended in conformity with generally accepted accounting principles applied on a consistent basis.

LOUIS KONIGSBERG
Certified Public Accountant

New York, N. Y.
November 24, 1959

AUDITOR'S REPORT

To the Shareholders of
T.M.C. (Canada) Limited.

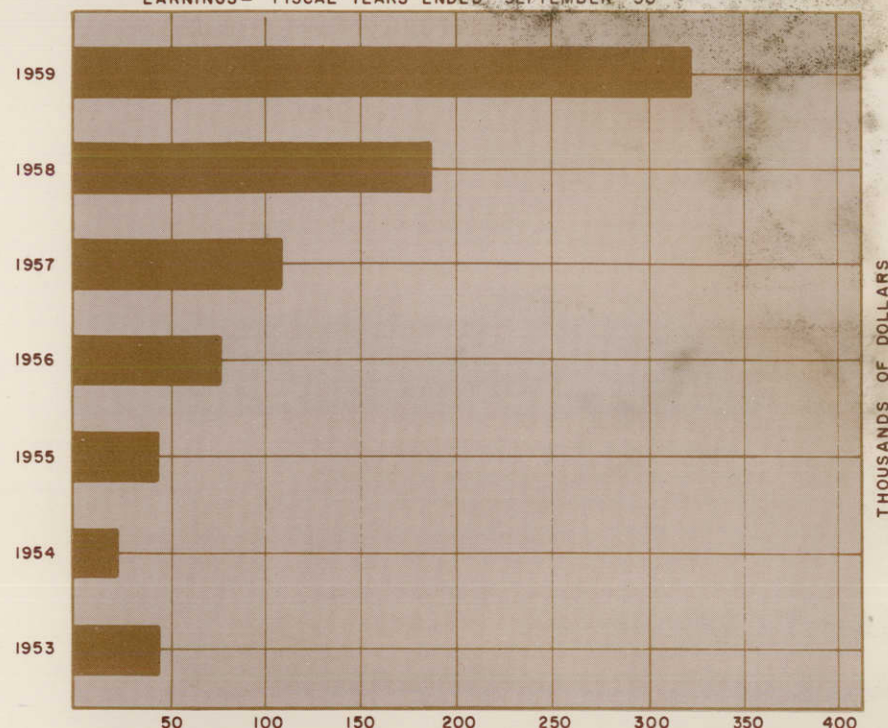
We have examined the books and accounting records of T.M.C. (Canada) Limited for the year ended 30th September, 1959 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the attached Balance Sheet and accompanying statements are properly drawn up so as to exhibit a true and correct view of the state of the company's affairs at 30th September, 1959 and the results of its operations for the year ended on that date according to the best of our information, the explanations given to us and as shown by the books of the company.

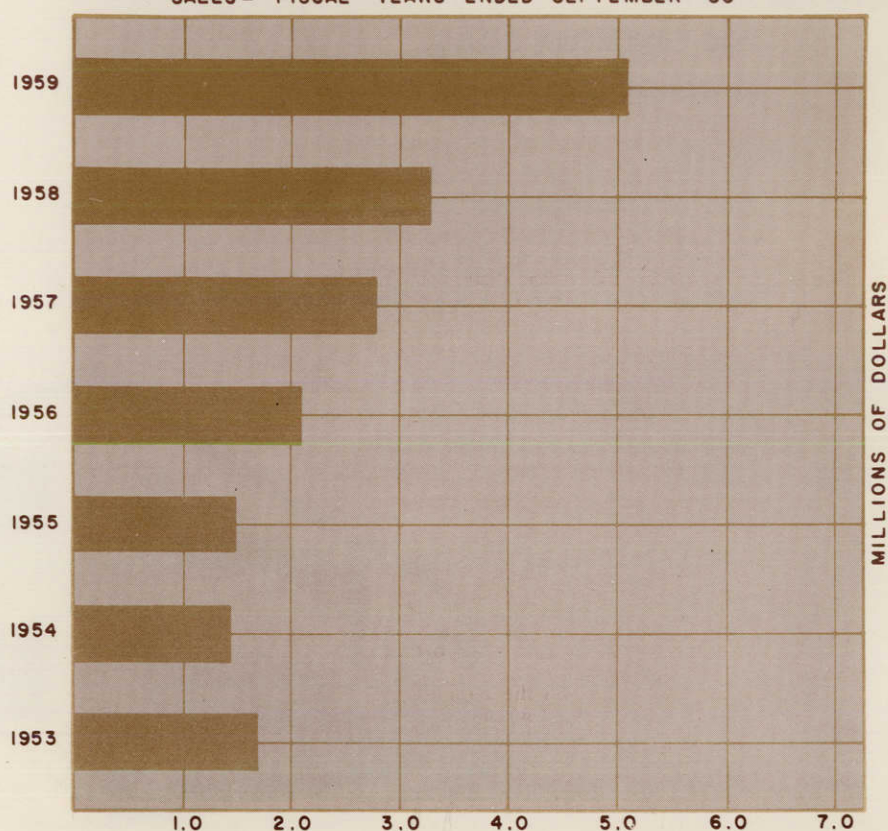
MILNE, HONEYWELL & BURPEE
Chartered Accountants

OTTAWA, 20th November, 1959

EARNINGS— FISCAL YEARS ENDED SEPTEMBER 30



SALES— FISCAL YEARS ENDED SEPTEMBER 30





THE TECHNICAL MATERIEL CORPORATION

MAIN OFFICE AND PLANT

**700 FENIMORE ROAD
MAMARONECK, NEW YORK**

AND ITS SUBSIDIARIES . . .

TMC (Canada) Ltd.

TMC Industrial Corp.

Technical Materiel Development (Canada) Ltd.

THIS REPORT HAS BEEN PREPARED AND IS DISTRIBUTED SOLELY FOR THE PURPOSE OF FURNISHING FINANCIAL AND STATISTICAL INFORMATION ABOUT THE COMPANY AND ITS PRODUCTS TO PRESENT STOCKHOLDERS. IT IS NOT A REPRESENTATION, PROSPECTUS, COMMUNICATION OR CIRCULAR IN CONNECTION WITH ANY PRESENT OR FUTURE SALE OR PURCHASE, OFFER TO SELL OR PURCHASE ANY STOCK OR OTHER SECURITY OF THE TECHNICAL MATERIEL CORPORATION.

