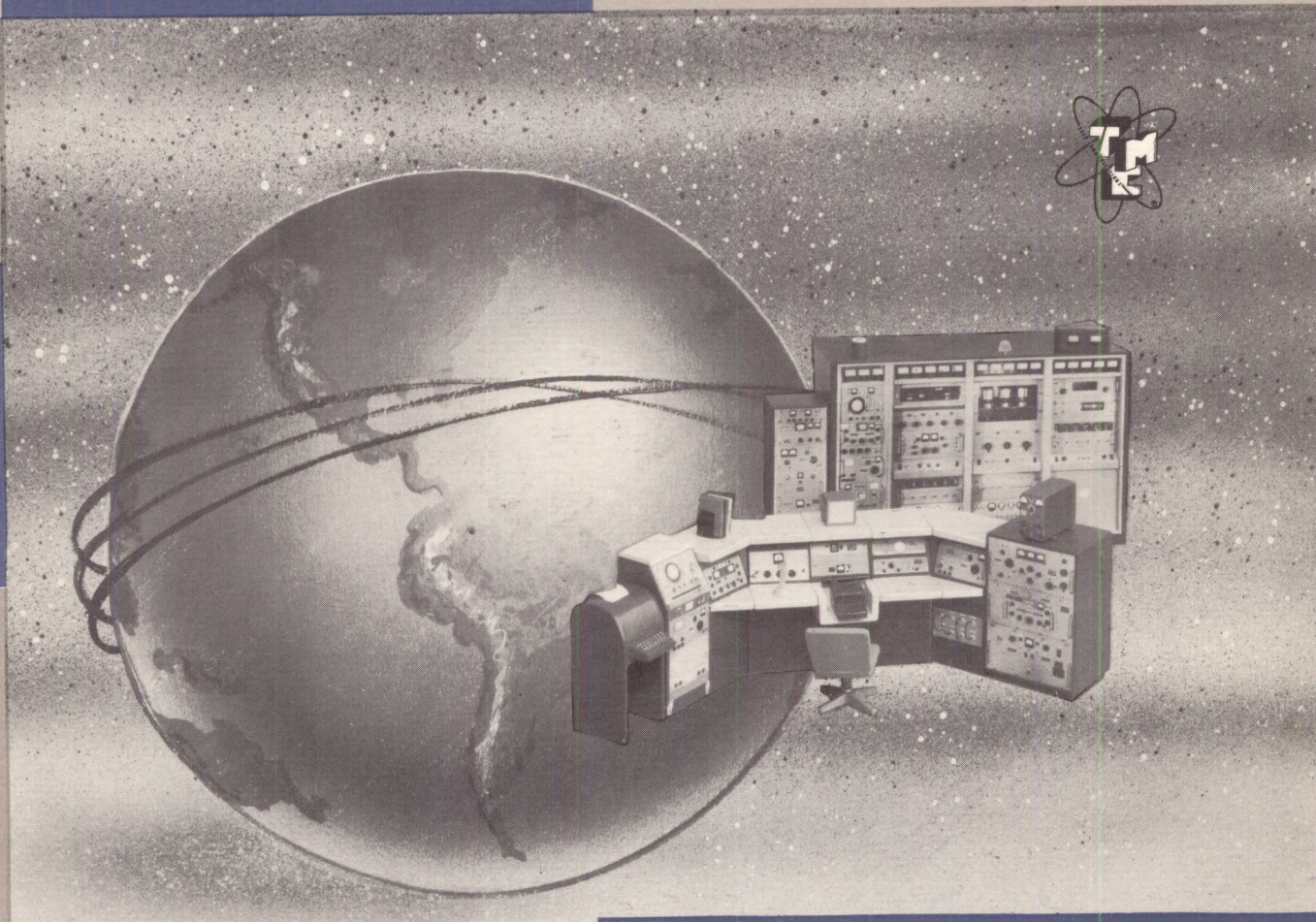


*File
DO NOT GIVE OUT!*

Annual Report
1960



**THE
TECHNICAL
MATERIEL
CORPORATION**
MAMARONECK, NEW YORK



Looks as if we did it again! As the attached report will verify, sales were up 39% and profits 50% in the fiscal year ended September 30th.

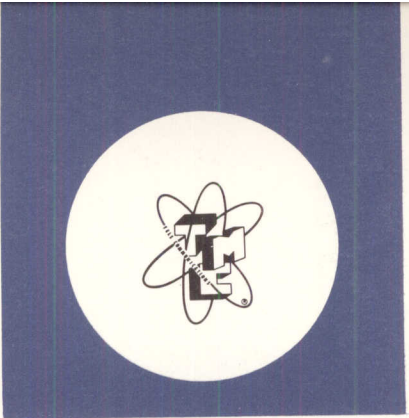
As predicted, our 40 kilowatt transmitter, our synthesizer and our new diversity receiver came into being, and volume orders are either on hand or in process on these items. Our backlog of orders was never higher, and at this time is at the highest point in our history.

Many things happened in the last year. We put stations on icebergs in the Arctic, flew equipment into the Congo, participated in "man-in-space" and operation "Deep Freeze" in the Antarctic. Space does not permit detailing all of our activities, but we've been pretty busy.

Things look good for next year. With another new plant coming into operation and more new and novel products coming into production, TMC should grow at an ever faster pace in this big business we call communications.

Raymond A. Payne

THE TECHNICAL MATERIEL CORPORATION

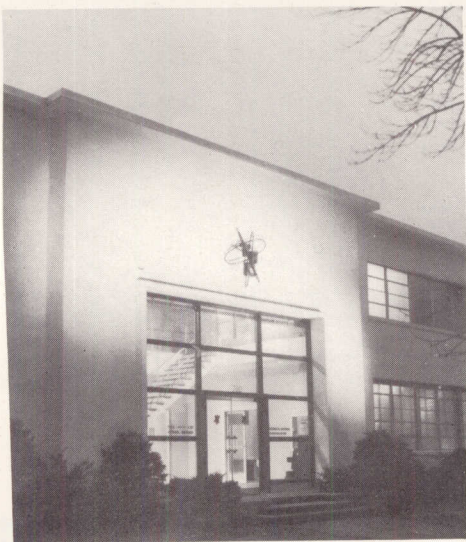


MANAGEMENT PERSONNEL

R. H. DE PASQUALE.....*President*
 W. J. GALIONE.....*Executive Vice President*
 W. L. DEANS.....*Vice President, Sales*
 E. A. MATSON, JR.....*Vice President, Sales*
 P. C. MUNROE.....*Vice President, General Sales Manager*
 D. H. TINKER.....*Treasurer & Controller*
 J. E. GALIONE.....*Secretary & Director of Mfg.*

A. R. BERNARDI.....*Chief Engineer*
 D. W. CARTER.....*Asst. Chief Engineer*
 C. F. GEBHARDT.....*President, T.M.C. Industrial*
 D. V. CARROLL.....*President & Managing Director
TMC (Canada) Ltd.*
 W. C. SHALAG.....*V.P., Gen. Mgr., TMC Systems Inc.
Alexandria, Virginia*
 H. C. ASHDOWN.....*Vice Pres., Sales, TMC (Canada) Ltd.*

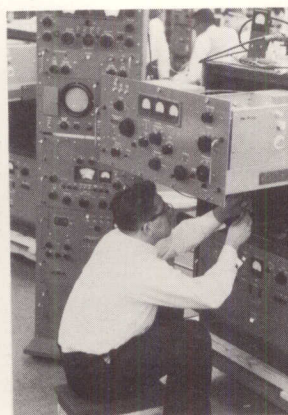
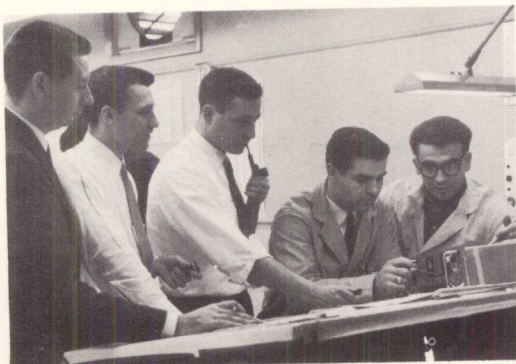
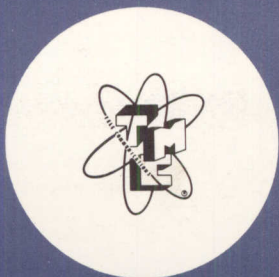
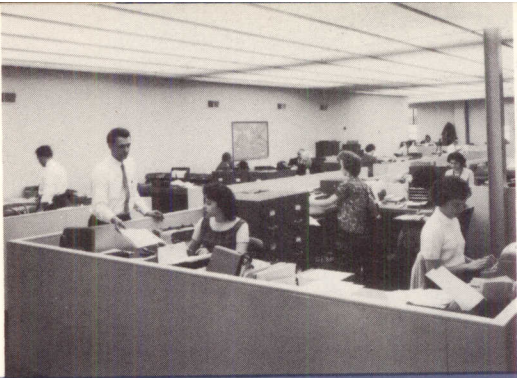
FIELD ENGINEERS



T.M.C maintains a staff of supervisory field engineers ready to go anywhere in the world to service or install TMC equipment and/or to improve existing installations in our field.

MAIN OFFICE: 700 FENIMORE ROAD

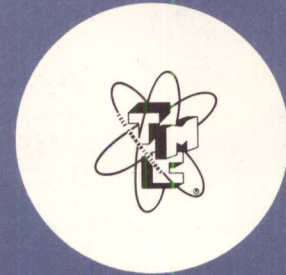
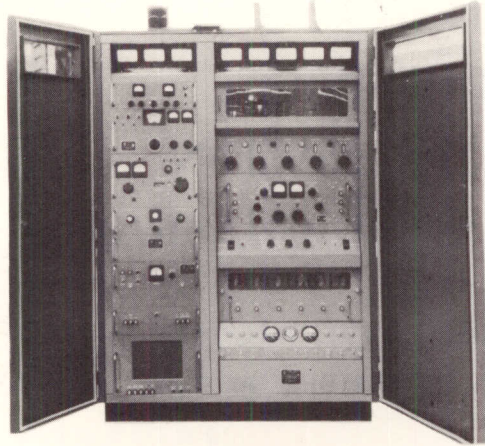
PLANT 1.....700 Fenimore Road
 PLANT 2.....705 Fenimore Road
 PLANT 3.....700 Waverly Avenue
 PLANT 4.....River Road, Ottawa, Ont. Canada
 PLANT 5.....806 No. Henry St., Alexandria, Virginia
 PLANT 6.....Under Construction



FACILITIES

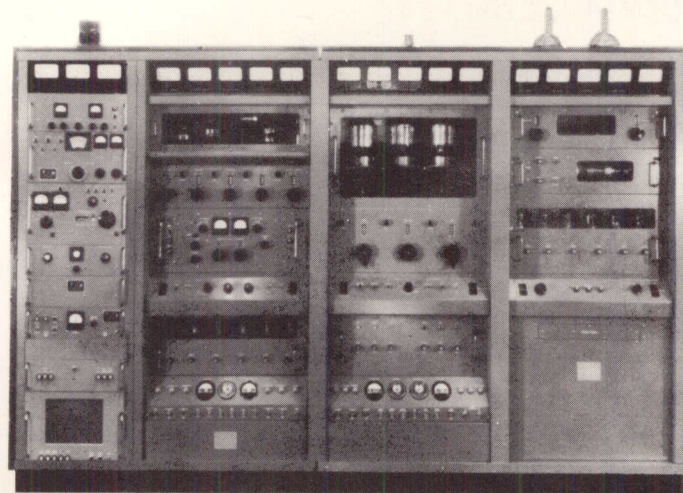
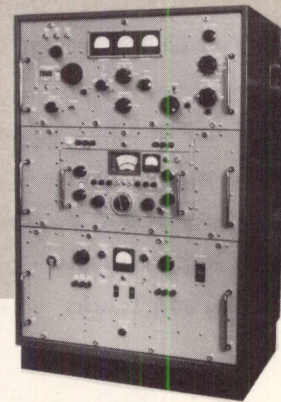
Although our plant space was tripled this past year, plans are under way to once more double our facilities. This is true not only of production area, but in machinery and more and more sophisticated test equipment as well.

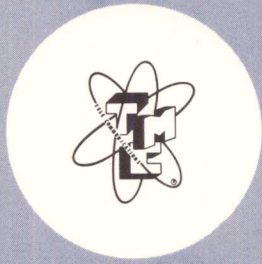
GPR-90
GPR-90RX
FFR
DDR-3
MSR
GSB
RCR
DRP
CFA
PSP
SFP-2
PVC
GPT-750
RTC
GPT-10K
GPT-40K
PAL-350
SBE
PMO
VOX
SBTIK
SBT-350
SBG-1
ACU-1
DDR-5
DDR-6
CPO-1
CPS-1
XFK
XFL-2
TAC
RTC
ATS
AMC
LMC
SWR
TRC
RAC
RTB
VRA
DAC
QDP
SPP
SW195
CABLES
QDL,
QDS
TER
TR-107
HFD/
LFD
BAC-
HLC
CON
TIS
TOC



PRODUCTS

TMC makes well over 100 proprietary products. No one makes products exactly similar. Some are unique, some perhaps not particularly novel, but they all sell to a long list of satisfied customers.





THE
TECHNICAL
MATERIEL
CORPORATION
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 1960

ASSETS

CURRENT ASSETS

Cash	\$ 45,268.49
Accounts Receivable (partially pledged) (Note 1)	867,754.97
Inventories	2,435,557.59
Advances to Employees for Expenses	11,525.61
Other Receivables	39,141.74
Unexpired Insurance	12,254.27
TOTAL CURRENT ASSETS	<u>\$3,411,502.67</u>

PROPERTY, PLANT & EQUIPMENT

Land	\$ 21,610.00
Buildings and Building Equipment	616,477.57
Machinery and Equipment	216,064.90
Office Equipment and Fixtures	52,578.57
Leasehold Improvements	187,357.78
Automobiles and Trucks	47,477.49
	<u>1,141,566.31</u>
Less—Accumulated Depreciation and Amortization	246,698.68
Net Balance	894,867.63

INVESTMENT IN SECURITIES OF AFFILIATE

Technical Materiel Development (Canada) Ltd.	<u>5,400.00</u>
TOTAL ASSETS	<u><u>\$4,311,770.30</u></u>

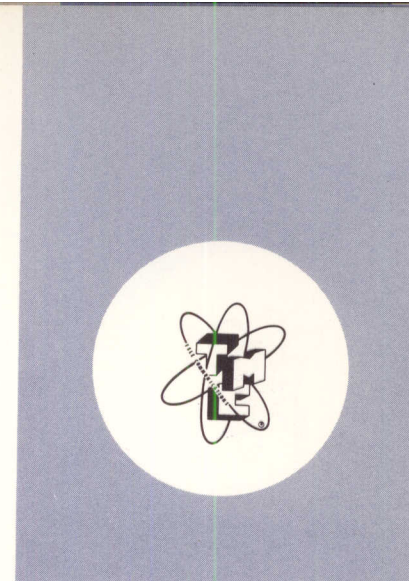
Note 1—

Technical Materiel Corp.: Bank Loan of \$263,301.77 secured by assigned Accounts Receivable of \$321,881.32.

T.M.C (Canada) Ltd.: Bank Loan of \$25,000.00 secured by a general assignment of all contracts.

General Note: Consistent with year end policy and in order to more adequately present the earnings of its wholly owned subsidiaries the Company has reallocated to them certain credits which in the opinion of management are properly theirs. This action has no material effect on the statement as consolidated.

THE
TECHNICAL
MATERIEL
CORPORATION
AND SUBSIDIARIES



CONSOLIDATED BALANCE SHEET
SEPTEMBER 30, 1960

LIABILITIES AND CAPITAL

CURRENT LIABILITIES

Loans Payable—Bank (Secured) (Note 1)	\$ 288,301.77
Accounts Payable—Trade	821,489.64
Mortgage Installments due within 1 year	20,128.71
Taxes Payable—Payroll	46,527.66
Federal and Canadian Income and Franchise Taxes	540,232.28
Accrued Expenses	57,259.50
Sundry Payables	9,298.65
Due to Technical Materiel Development (Canada) Ltd.	20,322.69
TOTAL CURRENT LIABILITIES	\$1,803,560.90

OTHER LIABILITIES

*Mortgage Payable (less amount included above)	150,494.84
TOTAL LIABILITIES	\$1,954,055.74

CAPITAL STOCK AND SURPLUS

Capital Stock: Common 50 cents Par Value	
Authorized 1,000,000 Shares	
Outstanding 553,200 Shares	\$ 276,600.00

SURPLUS

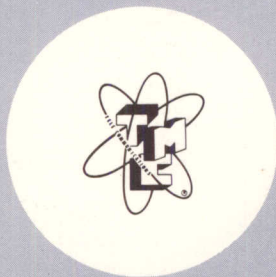
Capital Surplus	\$ 868,331.88
Earned Surplus	1,212,782.68
Total	2,081,114.56

TOTAL CAPITAL and SURPLUS	2,357,714.56
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TOTAL LIABILITIES and CAPITAL	\$4,311,770.30
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*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 and notes to financial statements are 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, 1960

INCOME

Net Sales	\$6,648,925.84
Cost of Goods Sold	4,100,952.24
Gross Profit	2,547,973.60

EXPENSES

General and Administrative	\$1,074,775.97
Engineering Expenses	513,613.76
Total Expenses	1,588,389.73
Net Profit From Operations	959,583.87
Other Income	37,749.34
Net Income (Before Taxes)	997,333.21
Provision for Federal and Canadian Income Taxes	497,820.60
Net Income (After Taxes)	\$ 499,512.61
Earnings per share based on 553,200 shares90

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, 1960 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, 1960 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 25, 1960

AUDITOR'S REPORT

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

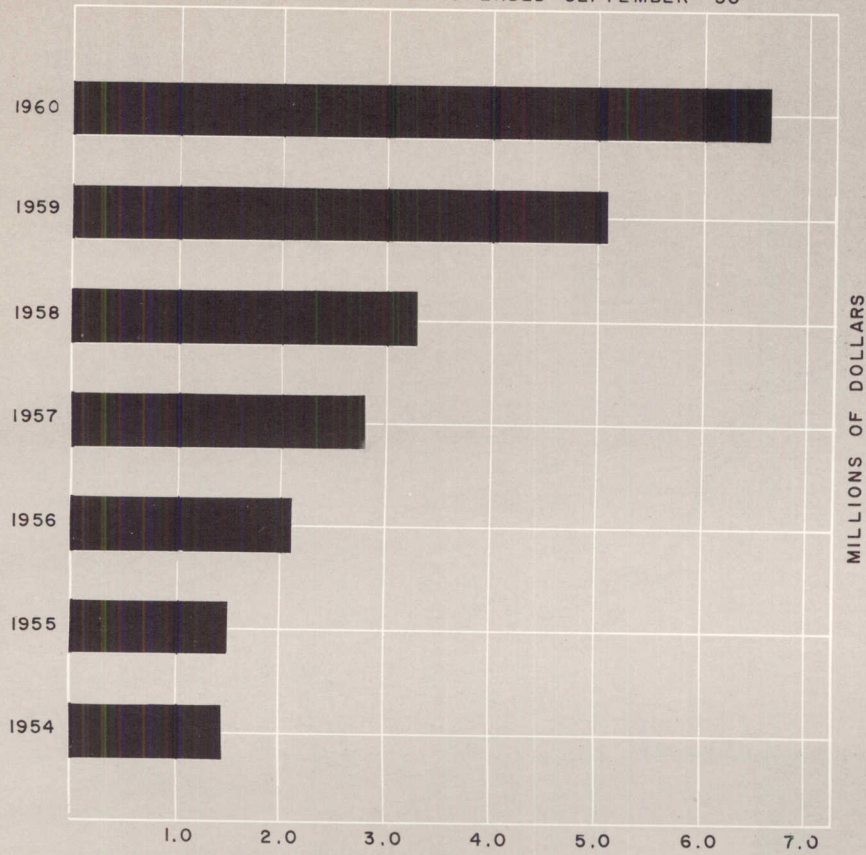
We have examined the books and accounting records of T.M.C. (Canada) Limited for the year ended 30th September, 1960 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and 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, 1960 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.

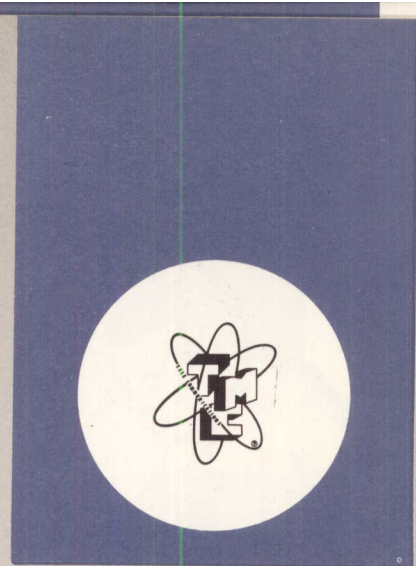
MILNE, HONEYWELL & BURPEE
Chartered Accountants

OTTAWA, 14th November, 1960

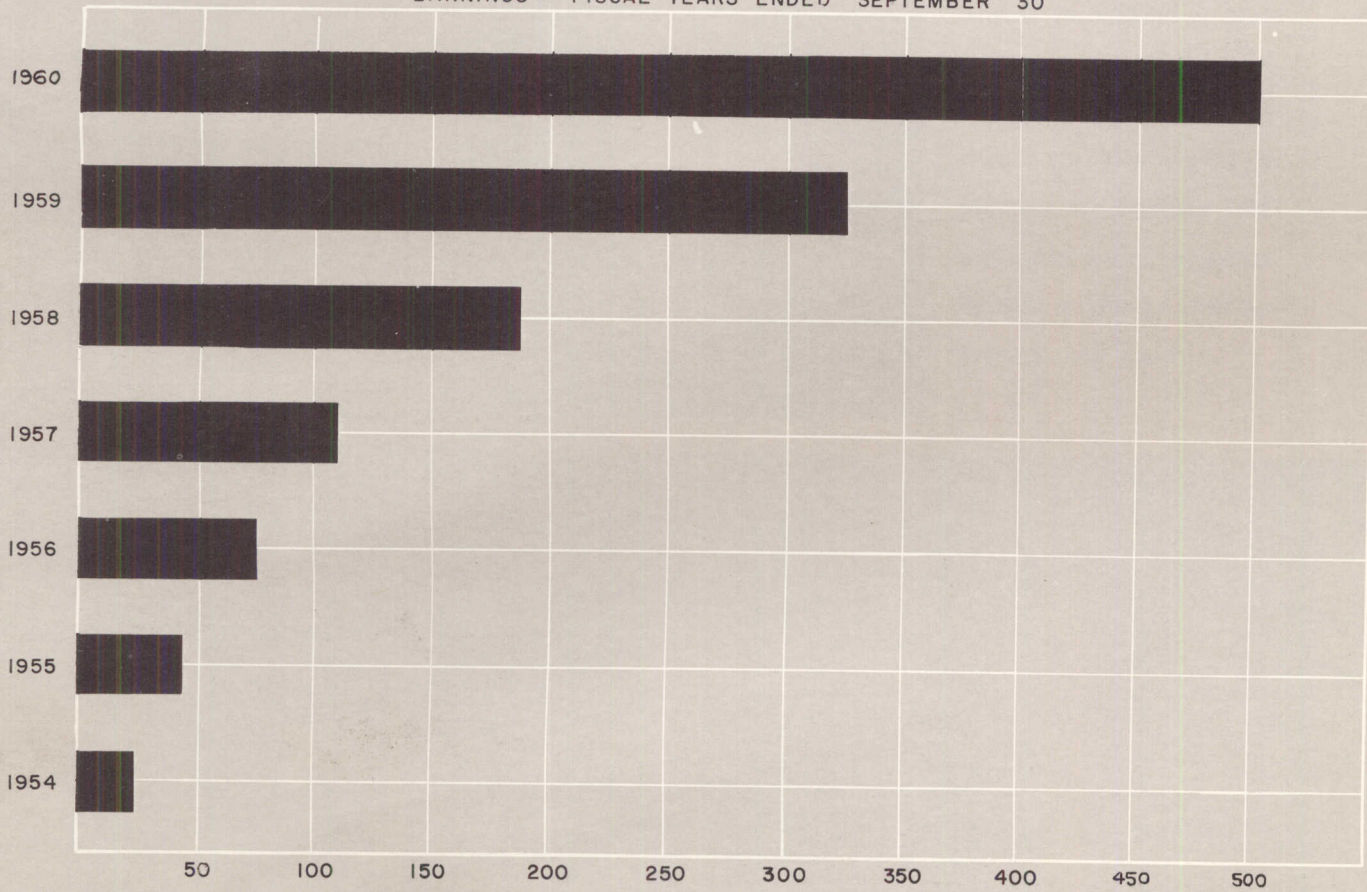
SALES - FISCAL YEARS ENDED SEPTEMBER 30



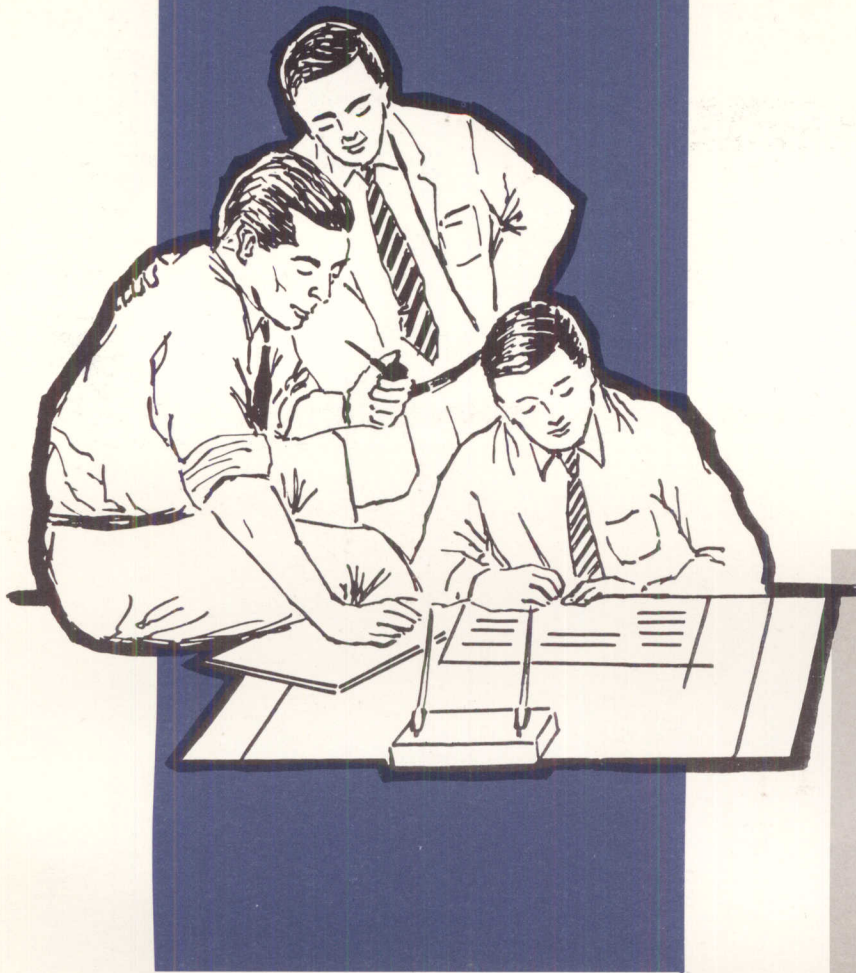
MILLIONS OF DOLLARS



EARNINGS - FISCAL YEARS ENDED SEPTEMBER 30



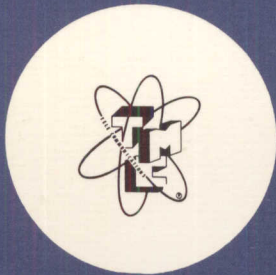
THOUSANDS OF DOLLARS



THE COMING YEAR

As this is written, we hear various complaints about business being slow. We do not find it so. The near revolution in radio transmission due to the popularity of sideband has resulted in an ever increasing demand for our equipment. Nevertheless, we have research funds budgeted into 1962 for a continuous flow of still better equipment, and we think we know how to make it pay.

We start a new year well financed and equipped. We think we're going to have another big year coming up!



SEE YOU NEXT YEAR...

