

DISCOVERER 2

EXPLORER 3

PIONEER 3

VANGUARD 2

VANGUARD 1

ATLAS

1961

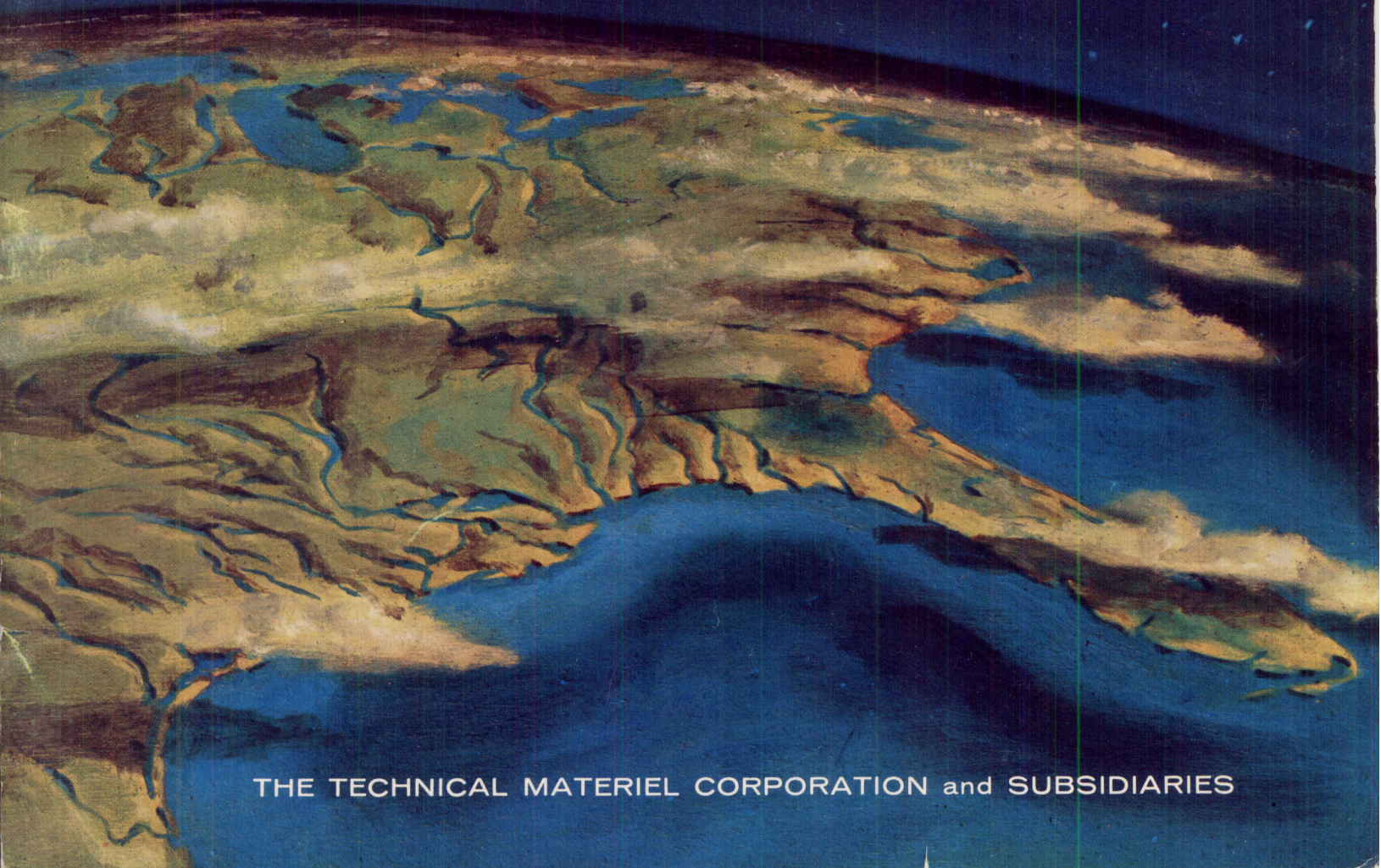
annual report

VANGUARD 3

VANGUARD 1

TIROS 2

DISCOVERER 3



THE TECHNICAL MATERIEL CORPORATION and SUBSIDIARIES

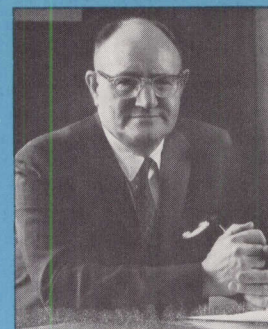
The story in a nutshell . . .

FINANCIAL HIGHLIGHTS

	1961	1960	1959
Net Sales	\$11,598,000	\$6,649,000	\$5,028,000
Net Income Before Taxes	\$ 1,821,000	\$ 997,000	\$ 673,000
Net Income After Taxes	\$ 903,000	\$ 500,000	\$ 340,000
Common Shares Outstanding	1,206,400	* 1,106,400	* 1,100,000
Net Income per Share	\$0.75	\$0.45	\$0.31
Working Capital	\$ 3,517,000	\$1,608,000	\$1,492,000
Current Ratio	3.07	1.89	1.63
Net Worth	\$ 4,498,000	\$2,358,000	\$1,777,000

*Adjusted to reflect a 2 for 1 split effective April 25, 1961.

. . . and some of those who made it possible



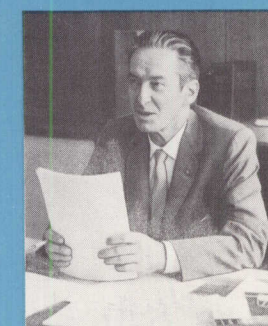
MANAGEMENT PERSONNEL

W. J. GALIONE *Executive Vice President*
J. E. GALIONE *Secretary and Director of Manufacturing*
D. H. TINKER *Treasurer and Controller*
W. L. DEANS *Vice President*
E. A. MATSON, JR. *Vice President*
P. C. MUNROE *Vice President and Sales Manager*
D. V. CARROLL *President, T.M.C. (Canada) Limited*
H. C. ASHDOWN *Vice President, T.M.C. (Canada) Limited*
C. F. GEBHARDT *President, T.M.C. Industrial Corporation*
W. C. SHALAG *Vice Pres. and Dir. of Operations, T. M. C. Systems, Inc.*
B. A. KATZ *Assistant Secretary, T.M.C. Systems, Inc.*
R. M. BARRINGTON. *Vice Pres. and Dir. of Oper, T.M.C. Systems (Texas) Inc.*
D. W. CARTER *Director of Engineering*
B. D. PRITCHARD *Chief Engineer*
D. A. HILLMAN *Manager of International Sales*
E. A. MATSON, SR. *Personnel Manager*
J. J. TOMAN *Director of Purchasing*



BOARD OF DIRECTORS

R. H. DE PASQUALE
W. J. GALIONE
M. M. DE PASQUALE
J. E. GALIONE
D. H. TINKER



How it began . . .

TMC STARTED IN A GARAGE IN MAMARONECK



WITH THREE PEOPLE



AND SOME IDEAS.

WE HAD A LOT OF HELP



FROM SUPPLIERS

OUR BANK



AND OTHER FRIENDS.



WE WENT "PUBLIC"



IN 1959.



THIS GAVE

US THE INVESTED CAPITAL WE NEEDED TO EXPAND



AND THE STOCK WENT UP



IN VALUE

AND WE SPLIT IT TWO FOR ONE.



PLOWING BACK

THE PROFITS FROM THIS EXPANSION MADE US GROW STILL

MORE SO WE WENT TO THE WELL



AGAIN AND WERE

LISTED ON THE AMERICAN STOCK EXCHANGE.



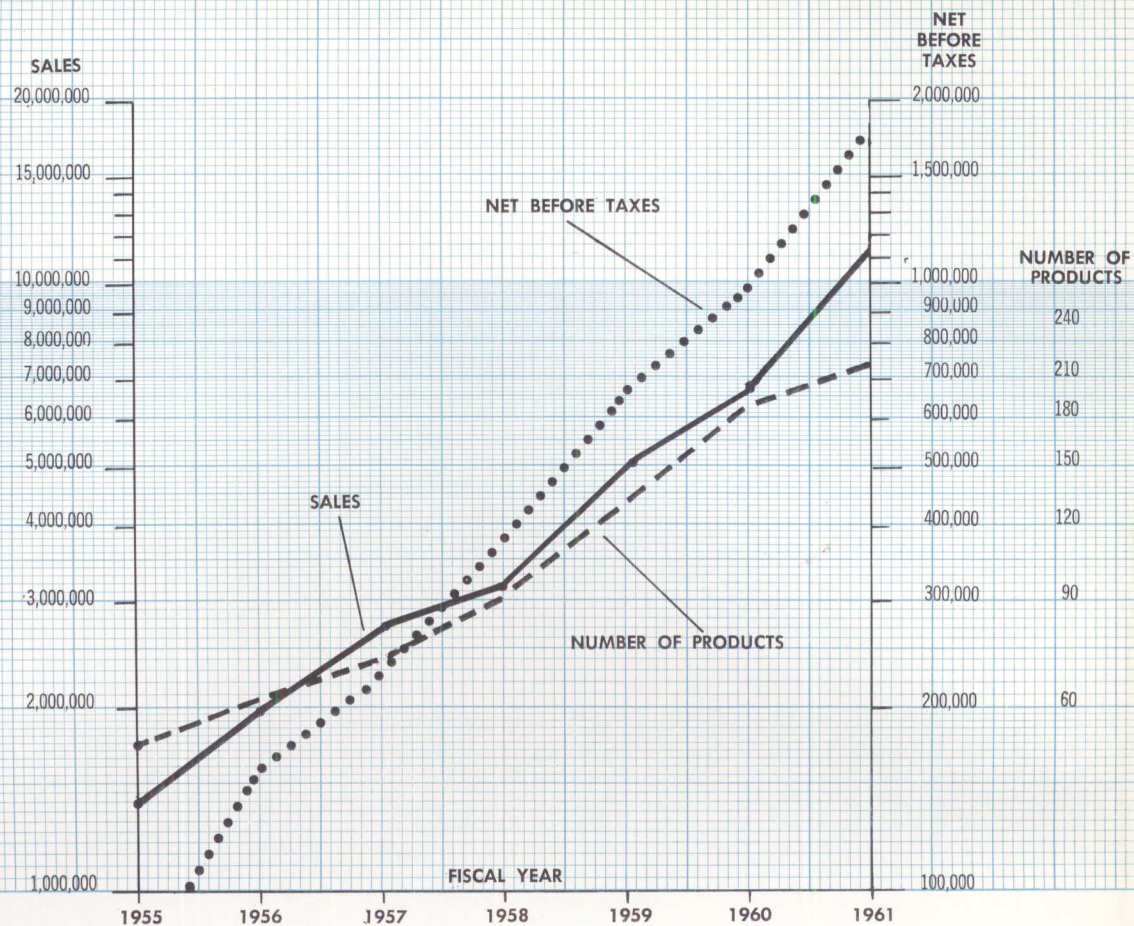
THIS

BRINGS US UP TO DATE. WE'RE STILL BUILDING,



WE'RE WELL FINANCED AND WE'RE DETERMINED TO MAKE IT

BETTER STILL IN 1962.



Fiscal 1961 was a good year as predicted. Sales increased 70% and profits 80%. Additional products were added to bring the total to 216 major items sold to 92 different countries.

TMC during 1961 was a part of some of the most sophisticated projects ever undertaken, from satellites to emergency ground facilities. 1961 also saw significant growth in the number of employees. Our engineering and supervisory executive groups were substantially improved. New wholly owned subsidiaries were activated in Florida and California, and our staff of traveling engineers was further increased. Our first international office was established in Switzerland.

Despite these advances, we arrive at a new fiscal year with the largest backlog in our history — a backlog which almost guarantees a further increase in sales and profits. The demand for our products has measurably increased, and the demand for communications equipment in general remains nowhere near satisfied.

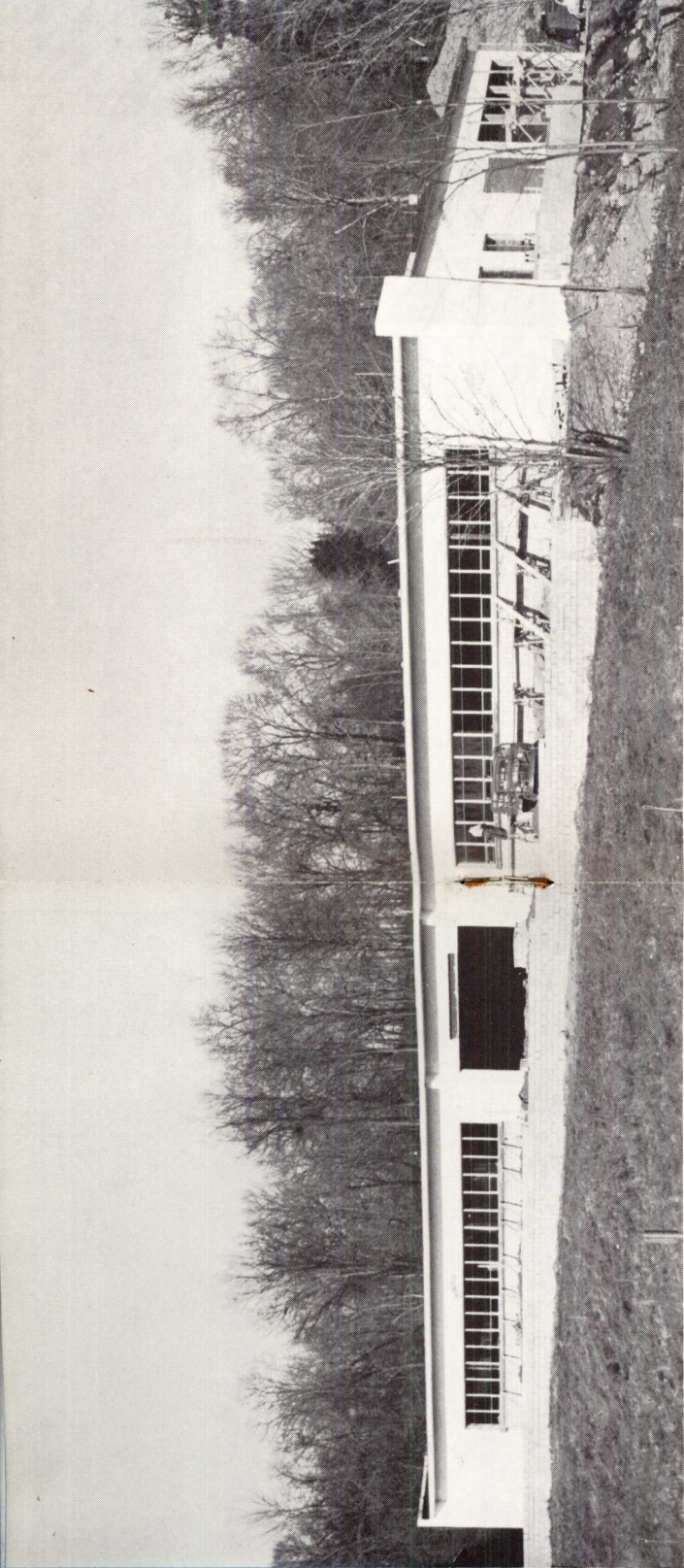
In the opinion of this correspondent we can look forward to 1962 and 1963 with increased optimism.

By Order of the Board of Directors,

President



Main office and Administration Building at Fenimore Rd., Mamaroneck, New York.



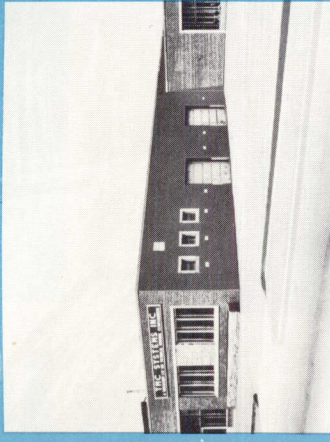
New facility located on the New York State Thruway at Clarkstown, New York.

The TECHNICAL MATERIEL CORPORATION

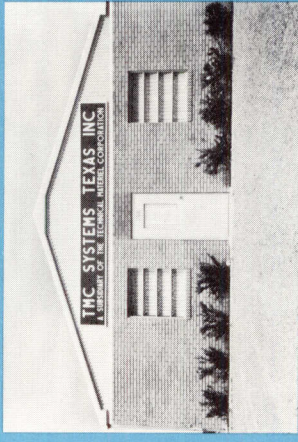
MAIN OFFICE AND PLANT
700 FENIMORE ROAD
MAMARONECK, NEW YORK

AND ITS SUBSIDIARIES . . .

- TMC (Canada) Ltd. Ottawa, Canada
- TMC Industrial Corp. Mamaroneck, N. Y.
- TMC Systems, Inc., Alexandria, Va.
- TMC Systems, (Texas), Inc., Garland, Texas
- TMC Systems, (Calif.), Inc., La Mesa, Calif.
- TMC Systems, (Florida), Inc., Pompano Beach, Fla.



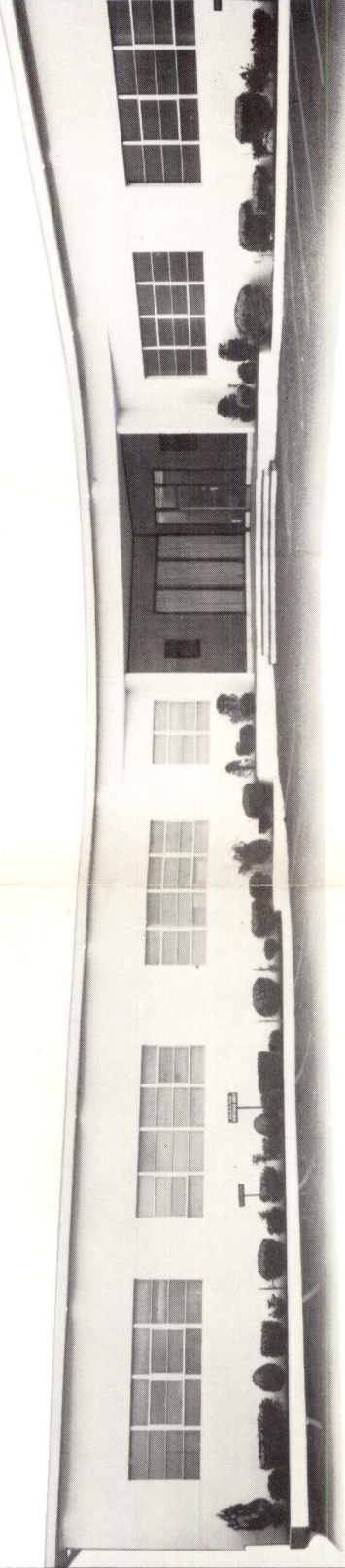
Office and Plant of T.M.C. Systems, Inc. in Virginia.



Office and Plant of T.M.C. Systems (Texas) Inc., at Garland, Texas.



Office and Plant of T.M.C. (Canada) Limited, at Ottawa, Ontario, Canada.



A portion of the Plant at Waverly Avenue, Mamaroneck, New York.



THE
TECHNICAL
MATERIEL
CORPORATION
AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 1961

ASSETS

CURRENT ASSETS

	1961	1960
Cash	\$ 289,124.29	\$ 45,268.49
Accounts Receivable (partially pledged) (Note 1)	2,170,168.04	867,754.97
Inventories (At the lower of cost or market)	2,689,205.58	2,435,557.59
Advances to Employees for Expenses	10,658.33	11,525.61
Other Receivables	42,868.02	39,141.74
Unexpired Insurance	14,683.00	12,254.27
TOTAL CURRENT ASSETS	<u>\$5,216,707.26</u>	<u>\$3,411,502.67</u>

PROPERTY, PLANT & EQUIPMENT (AT COST)

Land	146,938.00	21,610.00
Buildings and Building Equipment (Note 3)	618,626.66	616,477.57
Machinery and Equipment	261,838.19	216,064.90
Office Equipment and Fixtures	74,280.97	52,578.57
Leasehold Improvements (Note 3)	191,246.18	187,357.78
Automobiles and Trucks	43,212.34	47,477.49
Advances on Construction of new building at Clarkstown, New York	83,134.00	
	1,419,276.34	1,141,566.31
Less: Accumulated Depreciation and Amortization	308,115.94	246,698.68
NET BALANCE	<u>\$1,111,160.40</u>	<u>\$ 894,867.63</u>

INVESTMENT IN SECURITIES OF AFFILIATE

Technical Materiel Development (Canada) Ltd.	\$ 5,400.00	\$ 5,400.00
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DEFERRED ITEMS

Organization Expenses	451.16	
Prepaid Rent	471.50	
TOTAL	<u>922.66</u>	

TOTAL ASSETS	<u>\$6,334,190.32</u>	<u>\$4,311,770.30</u>
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**THE
TECHNICAL
MATERIEL
CORPORATION
AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 1961**



LIABILITIES AND CAPITAL

CURRENT LIABILITIES

	1961	1960
Loans Payable—Bank (Secured) (Note 1)	\$ 55,000.00	\$ 288,301.77
Accounts Payable—Trade	441,543.29	821,489.64
Mortgage Installments due within 1 year (Note 4)	18,841.33	20,128.71
Taxes Payable—Payroll	76,141.22	46,527.66
Federal and Canadian Income and Franchise Taxes	988,312.61	540,232.28
Accrued Expenses	88,362.94	57,259.50
Sundry Payables	11,563.85	9,298.65
Due to Technical Materiel Development (Canada) Ltd.	20,303.89	20,322.69
TOTAL CURRENT LIABILITIES	<u>\$1,700,069.13</u>	<u>\$1,803,560.90</u>

OTHER LIABILITIES

Mortgages Payable (Less Amount Included Above) (Note 4)	\$ 135,904.28	\$ 150,494.84
TOTAL LIABILITIES	<u>\$1,835,973.41</u>	<u>\$1,954,055.74</u>

CAPITAL STOCK AND SURPLUS

Common Stock Outstanding—(Note 2)	301,600.00	276,600.00
Capital Surplus—(Note "A")	2,083,441.31	868,331.88
Earned Surplus—(Note "B")	2,113,175.60	1,212,782.68
TOTAL CAPITAL AND SURPLUS	<u>\$4,498,216.91</u>	<u>\$2,357,714.56</u>

TOTAL LIABILITIES AND CAPITAL

<u>\$6,334,190.32</u>	<u>\$4,311,770.30</u>
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Shares Outstanding — Common 50 cents Par Value 553,200

Shares Outstanding — Common 25 cents Par Value 1,206,400

After giving effect to sale of 50,000 shares effective October 18, 1960
and a 2 for 1 stock split effective April 25, 1961

Note "A" — Capital Surplus

Balance—September 30, 1959	\$ 868,276.38
Addition resulting from purchase of Minority Interest in subsidiaries	500.00
Less: Registration and Sundry Expenses	(444.50)
Balance—September 30, 1960	868,331.88
Add: Proceeds of sale of 50,000 shares at \$25.05	1,252,500.00
Less: Transferred to Capital Stock Account 50,000 shares at 50 cents	(25,000.00)
Cost of Registration	(12,390.57)
Balance—September 30, 1961	<u>\$2,083,441.31</u>

Note "B" — Earned Surplus

Balance—September 30, 1959	\$ 657,500.03
Addition resulting from purchase of Minority Interest in Subsidiaries	55,770.04
Net Income for the fiscal year ended September 30, 1960	499,512.61
Balance—September 30, 1960	\$1,212,782.68
Add: Net Income for the fiscal year ended September 30, 1961	903,340.32
Less: Federal Taxes applicable to prior years	(2,947.40)
Balance—September 30, 1961	<u>\$2,113,175.60</u>



THE TECHNICAL MATERIEL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME, PROFIT AND LOSS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1961

INCOME	1961	1960
Net Sales	\$11,598,067.91	\$6,648,925.84
Cost of Goods Sold	7,737,518.01	4,084,482.24
GROSS PROFIT	<u>\$ 3,860,549.90</u>	<u>\$2,564,443.60</u>
EXPENSES		
General and Administrative	\$ 1,274,389.77	\$1,072,945.97
Engineering Expenses	810,558.80	513,613.76
TOTAL EXPENSES	<u>\$ 2,084,948.57</u>	<u>\$1,586,559.73</u>
Net Profit from Operations	1,775,601.33	977,883.87
Other Income	45,082.01	19,449.34
Net Income (Before Taxes)	<u>1,820,683.34</u>	<u>997,333.21</u>
Provisions for Federal and Canadian Income Taxes	917,343.02	497,820.60
Net Income (After Taxes)	<u>\$ 903,340.32</u>	<u>\$ 499,512.61</u>
Earnings per share: 553,200 Shares90
1,106,400 Shares (After 2 for 1 split)45
1,206,400 Shares75

AUDITOR'S REPORT

To The Board of Directors,
The Technical Materiel Corporation

December 4, 1961

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

I have examined the Balance Sheet of The Technical Materiel Corporation and Subsidiaries consolidated as at September 30, 1961 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, 1961 and the result of their operation for the year then ended in conformity with generally accepted accounting principles applied on a consistent basis.

We have examined the books and accounting records of T.M.C. (Canada) Limited for the year ended 30th September, 1961 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, 1961, 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, 30th November, 1961.

LOUIS KONIGSBERG
Certified Public Accountant

903 340
647 900
✓ 55440

THE
TECHNICAL
MATERIEL
CORPORATION
AND SUBSIDIARIES



NOTES TO FINANCIAL STATEMENTS

PRINCIPLES OF CONSOLIDATION

The Consolidated financial statements include The Technical Materiel Corporation and its wholly-owned subsidiaries as follows: T.M.C. Industrial Corporation, T.M.C. (Canada) Limited, T.M.C. Systems, Inc. and T.M.C. Systems (Texas), Inc. All known inter-company transactions and profits have been eliminated from the consolidated financial statements.

Note 1 -

At September 30, 1961 T.M.C. (Canada) Limited had an outstanding demand bank loan of \$55,000 secured by a general assignment of all contracts. Included in the Accounts Receivable of The Technical Materiel Corporation are accounts in the amount of \$37,442.26 due from the U. S. Government which are unpaid for more than a year. Management has indicated that these items are wholly collectable and that the delay in payment is due to existing procedural regulations.

Note 2 -

On June 14, 1960 The Technical Materiel Corporation acquired the minority stock interests of T.M.C. Industrial Corporation and T.M.C. (Canada) Limited by issuing to them 3200 shares of its common stock.

On September 22, 1961 The Technical Materiel Corporation put into effect "The Employee Stock Option Plan" which provides for the granting of options not to exceed 20,000 shares at the option price of at least 95% of the closing market price of The Company's common stock on the American Stock Exchange on the day the option is granted by the Stock Option Committee. At statement date options covering 7200 shares have been granted.

On June 28, 1960 the number of shares of Common Stock 50 cents Par Value was increased to 1,000,000 shares. On April 25, 1961 this was increased to 2,000,000 shares at 25 cents Par Value, and the outstanding shares were split 2 for 1.

Note 3 -

On or about January 1, 1960, The Technical Materiel Corporation constructed a warehouse building at Waverly and Concord Avenues, Mamaroneck, New York, on the land leased from Telecom Realty Corp. for a 15-year term.

Leasehold improvements in the amount of \$189,256.93 was expended by The Technical Materiel Corporation to improve the building at 700 Waverly Avenue which is leased from Telecom Realty Corp. for 15 years expiring in 1974.

Note 4 -

The land and building at 700 Waverly Avenue, Mamaroneck, New York, owned by Telecom Realty Corp. is mortgaged to secure a loan which originally was for \$250,000. The holder of this loan also holds the mortgage note on the property at 700 Fenimore Road, Mamaroneck, New York. By agreement executed September 24, 1959 with the holder of the mortgage notes a default under the loan on the Waverly property will constitute a default under the Corporations' note.

CONTINGENT LIABILITIES

The Federal Income Tax returns of The Technical Materiel Corporation have been examined by the Internal Revenue Service through 1957. The year 1959 is in the process of being examined. T.M.C. Industrial Corporation has been examined through 1958 and T.M.C. (Canada) Limited through 1955.

EMPLOYEES SAVINGS TRUST PLAN

On August 30, 1957 the Company instituted its Employees Savings Trust Plan which provides for all employees who had been continuously employed for three years to participate. Each participant may elect to contribute as much as five percent of his base compensation to the Plan and the Company has agreed to match these contributions.

RENEGOTIATION AND REDETERMINATION

The Technical Materiel Corporation has received clearance from the Renegotiation Board for all years through September 30, 1958. For the years 1959, 1960 and 1961 in the opinion of the management, no recapture of a substantial amount is anticipated.

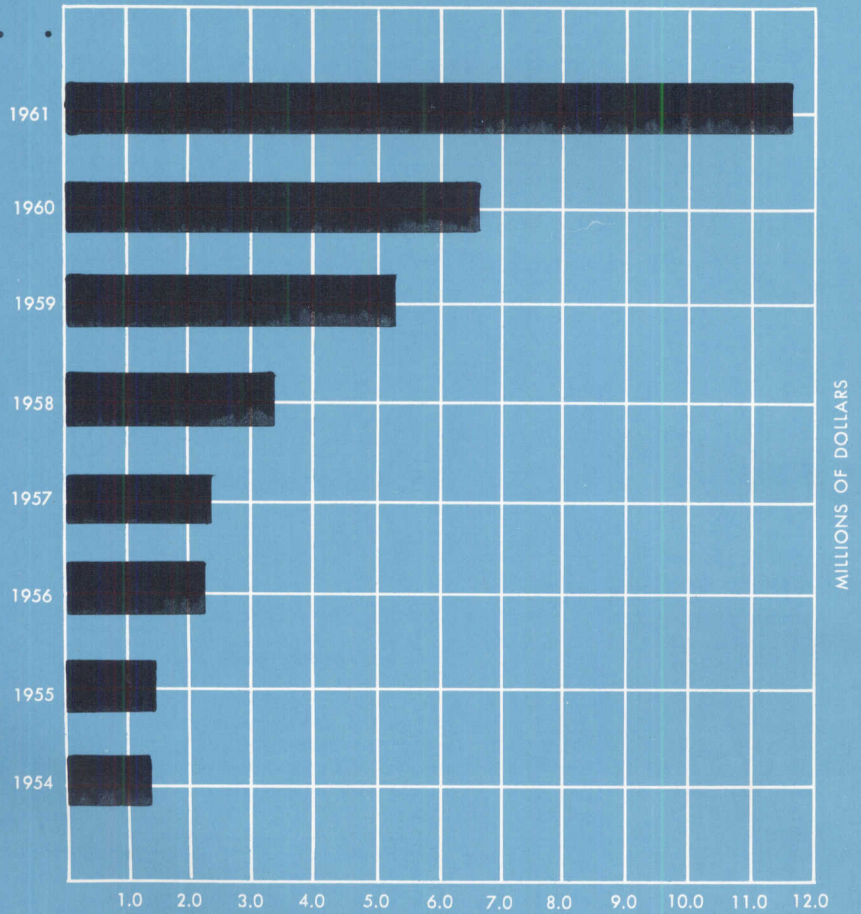
As regards contracts subject to redetermination it is the opinion of management that no recapture of a substantial nature is anticipated.

Cost audits have been completed with respect to all contracts of T.M.C. (Canada) Limited subject to price redetermination, and there has been no recapture.

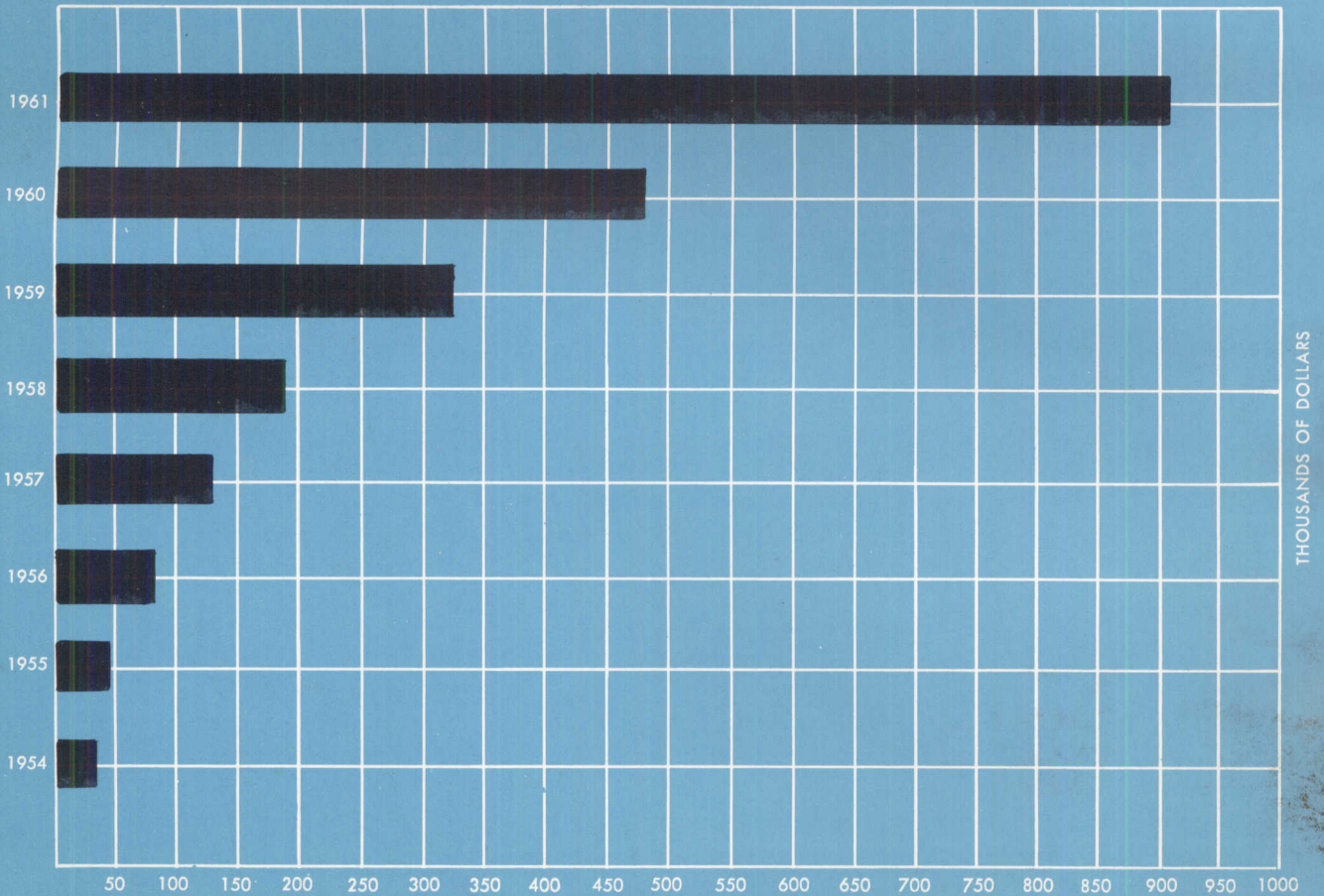
SALES - FISCAL YEARS ENDED SEPTEMBER 30

The trend at TMC . . .

TRANSFER AGENT:
The County Trust Co.
White Plains, N. Y.
REGISTRAR:
Irving Trust Co.
New York, N. Y.
CORPORATION COUNSEL:
Meighan and Necarsulmer
Harold J. Morse



EARNINGS - FISCAL YEARS ENDED SEPTEMBER 30



. . . *and where we're going*

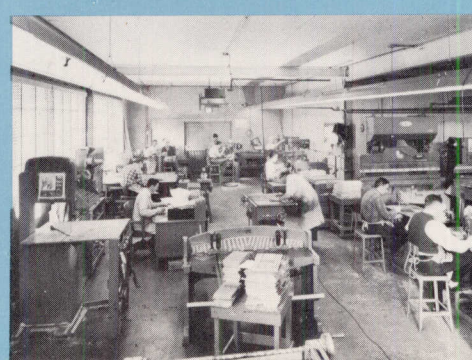
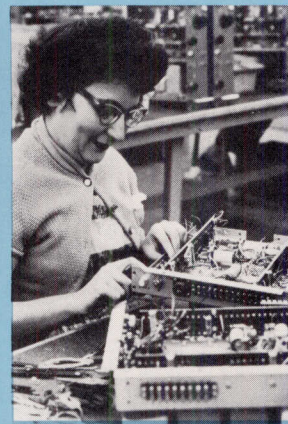
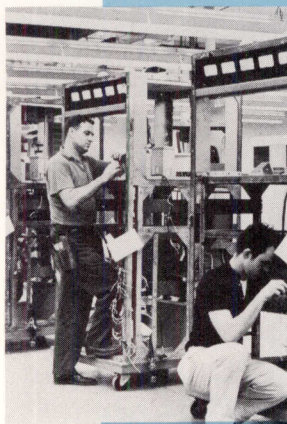
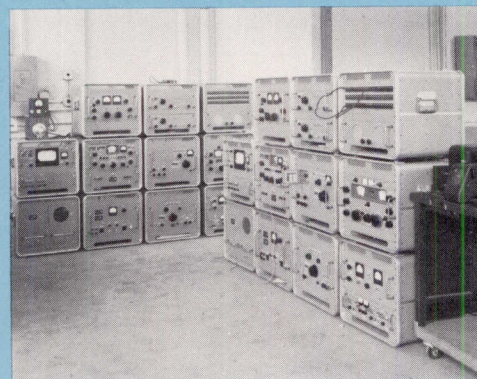
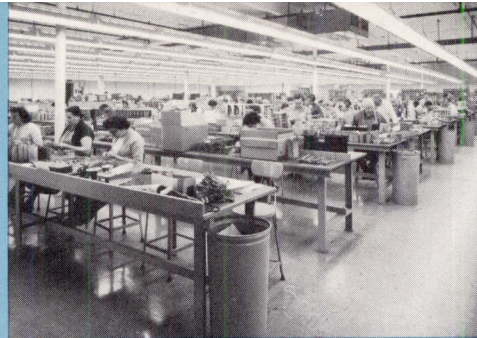
Where are we going? We have a good group of people, we have increased plant space, we have an increased line of versatile and accepted products. We have the finances to support these activities.

What then shall we do? First, we shall further consolidate our position in the industry. Second, we shall broaden our base by increasing our number of customers, products and services.

A new wholly owned subsidiary corporation will be formed to engage in the manufacture of generating and power distribution equipment. Also in operation will be our new connector products and test equipment divisions.

From our product development group (by some called "research"), will come new items in 1962, the field for which is virtually untapped.

We shall not be idle in 1962. Much remains to be done in this ever expanding field broadly called "communications." We mean to get our share of the available business.





DISC

TIROS 1

ECHO 1

MERCURY CAPSULE

DISCOVERER 8

RANGER

MIDAS 2

TIROS 2

VAN

MIDAS 1

SATURN

OSCAR