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

FORM 10-Q

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

For the quarterly period ended March 28, 2008

Or

oTRANSITION 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.

Yesx 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 April 30, 2008, there were 25,348,785 shares of Common Stock outstanding

Part I – Financial Information
Item 1. Financial Statements:

Condensed Consolidated Balance Sheets
(In thousands) (unaudited)

			March 28, 2008			December 31, 2007
Assets:						
Current assets:						
Cash and cash equivalents		$	28,349		$	73,898
Accounts receivable, net			180,796			158,435
Inventories			227,437			210,341
Deferred income taxes			26,129			28,724
Other current assets			21,810			20,231
Total current assets			484,521			491,629
Property, plant & equipment, at cost	$ 165,831			$ 163,645		
Less accumulated depreciation and amortization	112,246			110,000		
Net property, plant & equipment			53,585			53,645
Goodwill & other intangible assets, net			46,458			46,188
Deferred income taxes			5,071			3,594
Overfunded pension			31,102			30,486
Other assets			9,243			9,321
Total assets		$	629,980		$	634,863
Liabilities and Shareholders' Equity:						
Current liabilities:						
Notes payable		$	2,377		$	1,680
Accounts payable - trade			79,258			74,236
Accrued salaries and wages			16,928			25,328
Accrued pension costs			9,935			14,202
Accrued contract losses			11,561			9,513
Advances on contracts			10,055			9,508
Other accruals and payables			34,875			36,162
Income taxes payable			2,384			12,002
Total current liabilities			167,373			182,631
Long-term debt, excluding current portion			12,011			11,194
Other long-term liabilities			46,730			46,512
Commitments and contingencies						
Shareholders' equity			403,866			394,526
Total liabilities and shareholders' equity		$	629,980		$	634,863

See accompanying notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Operations
(In thousands except per share amounts)
(Unaudited)

	For the Three Months Ended March 28, 2008	For the Three Months Ended March 30, 2007
Net sales	$ 285,781	$ 266,530
Cost of sales	209,190	191,369
Selling, general and administrative expense	62,698	59,195
Net (gain)/loss on sale of assets	110	42
	271,998	250,606
Operating income from continuing operations	13,783	15,924
Interest expense (income), net	(1)	1,545
Other expense (income), net	141	(41)
Earnings from continuing operations before income taxes	13,643	14,420
Income tax expense	(4,775)	(5,347)
Net earnings from continuing operations	8,868	9,073
Earnings from discontinued operations before income taxes	-	1,624
Income tax expense	-	(622)
Net earnings from discontinued operations	-	1,002
Net earnings	$ 8,868	$ 10,075
Net earnings per share:		
Basic net earnings per share from continuing operations	0.35	0.37
Basic net earnings per share from discontinued operations	-	0.05
Basic net earnings per share	$ 0.35	$ 0.42
Diluted net earnings per share from continuing operations	0.35	0.37
Diluted net earnings per share from discontinued operations	-	0.04
Diluted net earnings per share	$ 0.35	$ 0.41
Average shares outstanding:		
Basic	25,099	24,140
Diluted	25,391	25,105

Dividends declared per share	$	0.140	$	0.125

See accompanying notes to condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows
(In thousands except share and per share amounts) (Unaudited)

	For the Three Months Ended March 28, 2008	For the Three Months Ended March 30, 2007
Cash flows from operating activities:		
Net earnings from continuing operations	$ 8,868	$ 9,073
Adjustments to reconcile net earnings from continuing operations to net cash		
provided by (used in) operating activities of continuing operations:		
Depreciation and amortization	2,585	2,460
Change in allowance for doubtful accounts	(67)	(191)
Net (gain) loss on sale of assets	110	42
Stock compensation expense	332	539
Excess tax benefits from share-based compensation arrangements	(107)	(307)
Deferred income taxes	867	(4,418)
Changes in assets and liabilities, excluding effects of acquisition/divestitures:		
Accounts receivable	(22,151)	(14,539)
Inventories	(17,017)	(717)
Other current assets	(1,521)	259
Accounts payable	4,731	5,341
Accrued contract losses	2,047	(1,165)
Advances on contracts	547	(641)
Accrued expenses and payables	(9,243)	(10,329)
Income taxes payable	(9,820)	(1,063)
Pension liabilities	(3,117)	1,266
Other long-term liabilities	(384)	5,621
Net cash provided by (used in) operating activities of continuing operations	(43,340)	(8,769)
Net cash provided by (used in) operating activities of discontinued operations	-	1,146
Net cash provided by (used in) operating activities	(43,340)	(7,623)
Cash flows from investing activities:		
Proceeds from sale of assets	36	40
Expenditures for property, plant & equipment	(2,334)	(2,796)
Acquisition of businesses including earn out adjustment	(118)	(896)
Other, net	(804)	(596)
Cash provided by (used in) investing activities of continuing operations	(3,220)	(4,248)
Cash provided by (used in) investing activities of discontinued operations	-	(457)
Cash provided by (used in) investing activities	(3,220)	(4,705)
Cash flows from financing activities:		
	1,571	17,941

Net borrowings (repayments) under revolving credit agreements				
Debt repayment		-		(1,543)
Net change in book overdraft		264		(3,585)
Proceeds from exercise of employee stock plans		2,191		1,758
Dividends paid		(3,520)		(3,018)
Debt issuance costs		-		(150)
Windfall tax benefit		107		307
Other		310		(2,315)
Cash provided by (used in) financing activities of continuing operations		923		9,395
Cash provided by (used in) financing activities of discontinued operations		-		121
Cash provided by (used in) financing activities		923		9,516
Net increase (decrease) in cash and cash equivalents		(45,637)		(2,812)
Effect of exchange rate changes on cash and cash equivalents		88		22
Cash and cash equivalents at beginning of period		73,898		12,720
Cash and cash equivalents at end of period	$	28,349	$	9,930

See accompanying notes to condensed consolidated financial statements.

Notes to Condensed Consolidated Financial Statements
(In thousands except share and per share amounts) (Unaudited)

1. Basis of Presentation
The December 31, 2007 condensed consolidated balance sheet amounts have been derived from the previously audited consolidated balance sheet of Kaman Corporation and subsidiaries. In the opinion of management, the balance of the condensed financial information reflects all adjustments which are necessary for a fair presentation of the company's financial position, results of operations and cash flows for the interim periods presented. All such adjustments are of a normal recurring nature, unless otherwise disclosed in this report. Certain amounts in prior period condensed consolidated financial statements have been reclassified to conform to current year presentation. The statements should be read in conjunction with the consolidated financial statements and notes included in the company's Form 10-K for the year ended December 31, 2007. The results of operations for the interim period presented are not necessarily indicative of trends or of results to be expected for the entire year.

The company has a calendar year-end; however, its first three fiscal quarters follow a 13-week convention, with each quarter ending on a Friday. The first quarter for 2008 and 2007 ended on March 28, 2008 and March 30, 2007, respectively.

Recently Issued Accounting Pronouncements
In March 2008, the FASB issued Statement of Financial Accounting Standards No 161 "Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133" (SFAS 161). Under this standard, companies with derivative instruments are required to disclose information that enables financial-statement users to understand how and why a company uses derivative instruments, how derivative instruments and related hedged items are accounted for under Statement 133, and how derivative instruments and related hedged items affect a company's financial position, financial performance, and cash flows. The new standard must be applied prospectively for interim periods and fiscal years beginning after November 15, 2008. The Company is currently evaluating the potential impact of SFAS 161 but does not anticipate that the impact would be material.

In December 2007, the FASB issued Statement of Financial Accounting Standards No 141(R) "Business Combinations" (SFAS 141(R)). The objective of this Statement is to improve the relevance and comparability of the information that a reporting entity provides in its financial reports about a business combination and its effects. To accomplish that, SFAS 141(R) establishes principles and requirements for how the acquirer (a) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree; (b) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and (c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS 141(R) applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The potential impact of SFAS 141(R) on our consolidated financial position, results of operations and cash flows will be dependent upon the terms, conditions and details of such acquisitions.

In December 2007, the FASB issued Statement of Financial Accounting Standards No 160 "Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51" (SFAS 160). The objective of SFAS 160 is to improve the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements. This Statement amends ARB 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. This Statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. Since we currently do not have any minority interest investments, we do not expect SFAS 160 will have an impact on our consolidated financial position, results of operations or cash flows.

5

Cash Flow Items
Cash payments for interest were $338 and $1,577 for the three months ended March 28, 2008 and March 30, 2007, respectively. Cash payments for income taxes, net of refunds, for the comparable periods were $13,674 and $6,262, respectively. Non-cash financing activity for the first three months 2007 includes the conversion of 16 debentures with a total value of $16 into 684 shares of common stock. There were no such conversions during 2008 as they were fully redeemed in December 2007.

2. Accounts Receivable, net

Accounts receivable consist of the following:

	March 28, 2008	December 31, 2007
Trade receivables	$ 86,082	$ 74,057
U.S. Government contracts:		
Billed	22,045	20,852
Costs and accrued profit – not billed	8,524	6,190
Commercial and other government contracts:		
Billed	24,653	17,740
Costs and accrued profit – not billed	41,238	41,407
Less allowance for doubtful accounts	(1,746)	(1,811)
Total	$ 180,796	$ 158,435

On March 19, 2008, the company and the Commonwealth of Australia reached an agreement relative to the conclusion of the SH-2G(A) Super Seasprite Program. The unbilled receivables associated with the SH-2G(A) program were $40,751 and $40,789 as of March 28, 2008 and December 31, 2007, respectively, and the balance of amounts received as advances on this contract were $7,863 and $7,511 as of March 28, 2008, and December 31, 2007, respectively. These balances, totaling a net $32,888 as of March 28, 2008, will be eliminated in connection with the transfer of the Australian program inventory to the company, which transfer is subject to approval by the U.S. Government. Additional detail relative to this agreement is provided in Note 12, Commitments and Contingencies.

3. Inventories

Inventories consist of the following:

	March 28, 2008	December 31, 2007
Merchandise for resale	$ 94,787	$ 93,949
Contracts and other work in process	114,368	103,004
Finished goods (including certain general stock materials)	18,282	13,388

Total	$ 227,437	$ 210,341

6

4. Shareholders' Equity

Changes in shareholders' equity for the three months ended March 28, 2008 were as follows:

Balance, January 1, 2008	$ 394,526
Net earnings	8,868
Change in pension & post-retirement benefit plans, net	727
Foreign currency translation adjustment	238
Comprehensive income	9,833
Dividends declared	(3,544)
Employee stock plans and related tax benefit	3,051
Balance, March 28, 2008	$ 403,866

Comprehensive income was $9,833 and $10,767 for the three months ended March 28, 2008 and March 30, 2007, respectively. The changes to net earnings used to determine comprehensive income are comprised of foreign currency translation adjustments and net changes in pension & post-retirement benefit plans.

Shareholders' equity consists of the following:

	March 28, 2008	December 31, 2007
Common stock	$ 25,363	$ 25,182
Additional paid-in capital	81,653	78,783
Retained earnings	267,741	262,417
Treasury stock	(411)	(411)
Other shareholders' equity	29,520	28,555
Total	$ 403,866	$ 394,526

5. Earnings Per Share

The following table presents a reconciliation of the numerators and denominators of basic and diluted earnings per share:

(In thousands except per share amounts)	For the Three Months Ended			
	March 28, 2008		March 30, 2007	
Basic:				
Net earnings from continuing operations	$	8,868	$	9,073
Net earnings from discontinued operations, net of tax		-		1,002
Net earnings	$	8,868	$	10,075
Weighted average number of shares outstanding		25,099		24,140
Net earnings per share from continuing operations	$	0.35	$	0.37
Net earnings per share from discontinued operations		-		0.05
Net earnings per share	$	0.35	$	0.42
Diluted:				
Net earnings from continuing operations	$	8,868	$	9,073
Elimination of interest expense on 6% subordinated convertible debentures (net after taxes)		-		152
Net earnings from continuing operations (as adjusted)		8,868		9,225
Net earnings from discontinued operations, net of tax		-		1,002
Net earnings (as adjusted)	$	8,868	$	10,227
Weighted average number of shares outstanding		25,099		24,140
Weighted averages shares issuable on conversion of 6% subordinated convertible debentures		-		689
Weighted average shares issuable on exercise of dilutive stock options		292		276
Total		25,391		25,105
Net earnings per share from continuing operations - diluted	$	0.35	$	0.37
Net earnings per share from discontinued operations - diluted		-		0.04
Net earnings per share -diluted	$	0.35	$	0.41

Excluded from net earnings per share – diluted calculation are 108 anti-dilutive shares, based on average stock price, granted to employees for the three months ended March 30, 2007. There were no anti-dilutive shares for the three months ended March 28, 2008.

6. Exit Activity

The following table displays the activity and balances of various exit activities as of and for the three months ended March 28, 2008:

Balance at January 1, 2008	$ 4,705
Additions to accrual	-
Cash payments	(42)
Release to income	-
Balance at March 28, 2008	$ 4,663

Our exit activity accrual consists of estimated ongoing environmental remediation costs for our Moosup, CT facility and environmental remediation costs that we expect to incur at the former Music segment's New Hartford, Connecticut facility which arose in connection with the 2007 sale of our Music segment.

These exit activity accruals are included in other current liabilities and other long-term liabilities on the condensed consolidated balance sheets for the periods presented. Ongoing maintenance costs of $120, and $131 for the three months ended March 28, 2008 and March 30, 2007, respectively, related to the idle Moosup facility are included in selling, general and administrative expenses.

7. Product Warranty Costs

The following table presents the activity and balances of accrued product warranty costs included in other accruals and payables on the condensed consolidated balance sheets as of March 28, 2008:

Balance at January 1, 2008	$ 1,087
Product warranty accrual	25
Warranty costs incurred	(3)
Release to income	(25)
Balance at March 28, 2008	$ 1,084

The company has been working to resolve two warranty-related matters at the Dayron facility. The first issue involves a supplier's recall of a switch embedded in certain bomb fuzes. The second warranty issue involves bomb fuzes manufactured for the U. S. Army utilizing systems which originated before Dayron was acquired by Kaman that have since been found to contain an incorrect part. The net reserve as of March 28, 2008 related to these two matters is $1,032. This balance represents management's best estimate of the costs currently expected to be incurred in resolving these matters. This matter is more fully discussed in Note 12, Commitments and Contingencies.

The remaining accrual as of March 28, 2008 relates to routine warranty rework at our various segments.

8. Accrued Contract Losses

The following is a summary of activity and balances associated with accrued contract losses as of and for the quarter ended March 28, 2008:

Balance at January 1, 2008	$ 9,513
Additions to loss accrual	3,880
Costs incurred	(1,585)
Release to income	(247)
Balance at March 28, 2008	$ 11,561

Additions to our contract loss accrual relate primarily to cost growth in connection with initial sales orders from our customers on certain recently awarded programs in the Fuzing and Aerostructures segments, in particular the Sikorsky MH -92 program and the Shenyang program at our Wichita facility. The majority of the balance of the contract loss accrual relates to the SH-2G(A) Helicopter program for Australia. We are in the process of assessing what portion of those expenses will still be incurred if the program is concluded as contemplated by the settlement agreement with the Commonwealth of Australia. When title to the inventory is transferred to the company, effectively concluding the program, we will adjust the accrued contract loss as necessary.

9. Pension Cost

Components of net pension cost for the qualified pension plan and Supplemental Employees' Retirement Plan (SERP) are as follows:

	Qualified Pension Plan For the Three Months Ended		SERP For the Three Months Ended	
	March 28, 2008	March 30, 2007	March 28, 2008	March 30, 2007
Service cost for benefits earned	$ 3,069	$ 3,329	$ 184	$ 116
Interest cost on projected benefit obligation	7,338	6,931	384	505
Expected return on plan assets	(8,681)	(8,074)	-	-
Effect of settlement/curtailment	-	-	1,006	-
Net amortization and deferral	15	225	408	883
Net pension cost	$ 1,741	$ 2,411	$ 1,982	$ 1,504

For the 2008 plan year, the company expects to contribute $6,966 to the qualified pension plan and make payments of $13,971 for the SERP. During the first quarter of 2008, we made a $2,500 contribution to the qualified pension plan for the 2007 plan year.

In the first quarter of 2008, we made payments of $4,499 for the SERP. The majority of this amount related to a lump sum payment to the former CEO. The total of the payout represented a portion of the SERP's projected benefit obligation sufficient to constitute a plan settlement per SFAS 88, "Employer's Accounting for Settlements and

Curtailments of Defined Benefit Pension Plans.” Because the retirement occurred after the company’s pension measurement date of December 31, and in accordance with SFAS 88 settlement accounting, liabilities related to the supplemental plan were remeasured as of February 28, 2008 with the related deferred actuarial losses being recognized in the first quarter 2008.

10. Business Segments

Summarized financial information by business segment is as follows:

	For the Three Months Ended	
	March 28, 2008	March 30, 2007
Net sales:		
Aerostructures	$ 28,793	$ 25,179
Fuzing	24,130	18,500
Helicopters	14,614	17,458
Specialty Bearings	36,079	31,979
Subtotal Aerospace Segments	103,616	93,116
Industrial Distribution	182,165	173,414
Net sales from continuing operations	$ 285,781	$ 266,530
Operating income (loss):		
Aerostructures	$ (1,015)	$ 4,551
Fuzing	1,805	2,530
Helicopters	858	(1,025)
Specialty Bearings	12,968	10,559
Subtotal Aerospace Segments	14,616	16,615
Industrial Distribution	9,073	8,694
Net gain (loss) on sale of assets	(110)	(42)
Corporate expense	(9,796)	(9,343)
Operating income from continuing operations	13,783	15,924
Interest expense (income), net	(1)	1,545
Other expense (income), net	141	(41)
Earnings from continuing operations before income taxes	13,643	14,420
Income tax expense	(4,775)	(5,347)
Net earnings from continuing operations	8,868	9,073
Net earnings from discontinued operations	-	1,002