

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1995-07-28** | Period of Report: **1995-06-30**
SEC Accession No. **0000950150-95-000481**

([HTML Version](#) on [secdatabase.com](#))

FILER

PACIFIC SCIENTIFIC CO

CIK: **75608** | IRS No.: **940744970** | State of Incorporation: **CA** | Fiscal Year End: **1226**
Type: **10-Q** | Act: **34** | File No.: **001-07744** | Film No.: **95556950**
SIC: **3621** Motors & generators

Mailing Address
620 NEWPORT CENTER
DRIVE STE 700
NEWPORT BEACH CA 92658

Business Address
620 NEWPORT CENTER DR
STE 700
NEWPORT BEACH CA 92658
7147201714

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

X Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the quarterly period ended June 30, 1995

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 1-7744

PACIFIC SCIENTIFIC COMPANY

(Exact name of Registrant as specified in its charter)

<TABLE>

<S>

CALIFORNIA

(State or other jurisdiction of incorporation or organization)

<C>

94-0744970

(IRS Employer ID Number)

620 Newport Center Drive, Suite 700, Newport Beach, California

(Address of principal executive offices)

92660

(Zip Code)

</TABLE>

714/720-1714

(Registrant's telephone number, including area code)

N/A

(Former name, address and fiscal year, if changed since last report)

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 X , No .

--- ---

Shares outstanding of the Registrant's common stock as of June 30, 1995

<TABLE>

<S>

<C>

Class

Common Stock, \$1.00 par value

</TABLE>

<C>

Outstanding at June 30, 1995

11,001,383

ITEM 1. FINANCIAL STATEMENTS

Pacific Scientific Company
Consolidated Balance Sheets
(in thousands)<TABLE>
<CAPTION>

	JUNE 30 1995	DECEMBER 30 1994
<S>	<C>	<C>
ASSETS		

CURRENT ASSETS:		
Cash	\$ 4,039	\$ 1,655
Short-term investments	1,435	1,758
Trade receivables (less allowance for doubtful accounts of \$1,599 and \$929, respectively)	46,589	43,435
Inventories, lower of cost (principally average) or market:		
Finished goods	4,882	4,263
Work-in-process	10,962	11,866
Raw materials and purchased parts	26,131	21,151
Deferred income taxes	4,085	4,205
Other current assets	2,941	2,100
	-----	-----
Total Current Assets	101,064	90,433
	-----	-----
PROPERTY AT COST:		
Land and buildings	13,157	13,187
Machinery and equipment	78,495	70,630
	-----	-----
Total	91,652	83,817
Less accumulated depreciation	56,645	52,649
	-----	-----
Net Property	35,007	31,168
	-----	-----
RESTRICTED CASH	6,136	6,071
NOTE RECEIVABLE	623	711
PROPERTY HELD FOR SALE	3,300	3,300
NOTES, PATENTS AND OTHER	8,548	8,272
EXCESS OF COST OVER NET ASSETS ACQUIRED	40,843	32,714
	-----	-----
TOTAL	\$ 195,521	\$ 172,669
	-----	-----
LIABILITIES AND STOCKHOLDERS' EQUITY		

CURRENT LIABILITIES:		
Short-term borrowings	\$ 4,000	\$ 3,700
Accounts payable	19,000	15,826
Accrued employee compensation and benefits	5,918	5,717
Note payable for business acquisition	2,316	0
Other current liabilities	6,894	9,904
	-----	-----
Total Current Liabilities	38,128	35,147
	-----	-----
BANK BORROWING	32,525	19,400
CONVERTIBLE SUBORDINATED DEBENTURES	17,281	17,286
INDUSTRIAL DEVELOPMENT BONDS	5,625	5,625
OTHER LONG TERM LIABILITIES	5,646	4,073
	-----	-----
STOCKHOLDERS' EQUITY:		
Common stock, \$1 par value	11,001	10,939
Additional paid-in-capital	1,179	727
Currency Translation Adjustment	(122)	0
Retained earnings	84,258	79,472
	-----	-----
Total Stockholders' Equity	96,316	91,138
	-----	-----
TOTAL	\$ 195,521	\$ 172,669

</TABLE>

The accompanying notes to consolidated financial statements are an integral part of this statement.

2

3

PART 1--(Continued)

Pacific Scientific Company
Consolidated Statements of Income (unaudited)
(in thousands, except per share amounts)

<TABLE>
<CAPTION>

	QUARTER ENDED		YEAR-TO-DATE	
	JUNE 30	JULY 1	JUNE 30	JULY 1
	1995	1994	1995	1994
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
SALES:				
Electrical Equipment	\$52,155	\$39,818	\$101,110	\$ 77,048
Safety Equipment	16,738	17,370	32,627	31,725
	-----	-----	-----	-----
	68,893	57,188	133,737	108,773
COST OF SALES	46,178	38,684	91,187	74,324
	-----	-----	-----	-----
Gross Profit	22,715	18,504	42,550	34,449
	-----	-----	-----	-----
EXPENSES:				
Selling and marketing	7,412	6,431	14,023	11,805
General and administrative	6,265	5,573	12,175	10,729
Research and development	3,392	2,233	6,300	4,357
	-----	-----	-----	-----
Total Expenses	17,069	14,237	32,498	26,891
	-----	-----	-----	-----
OPERATING INCOME	5,646	4,267	10,052	7,558
INTEREST & OTHER (Net)	(1,003)	(591)	(1,339)	(1,137)
	-----	-----	-----	-----
INCOME BEFORE INCOME TAX PROVISION	4,643	3,676	8,713	6,421
INCOME TAX PROVISION	(1,742)	(1,433)	(3,268)	(2,504)
	-----	-----	-----	-----
NET INCOME	\$ 2,901	\$ 2,243	\$ 5,445	\$ 3,917
	-----	-----	-----	-----
EARNINGS PER COMMON AND COMMON EQUIVALENT SHARE:				
PRIMARY	\$ 0.25	\$ 0.20	\$ 0.47	\$ 0.35
	-----	-----	-----	-----
FULLY DILUTED	\$ 0.25	\$ 0.20	\$ 0.47	\$ 0.35
	-----	-----	-----	-----
CASH DIVIDENDS PER COMMON SHARE	\$ 0.030	\$ 0.015	\$ 0.060	\$ 0.030
	-----	-----	-----	-----

</TABLE>

The accompanying notes to the consolidated financial statements are an integral part of this statement.

PART 1--(Continued)

ITEM 1. FINANCIAL STATEMENTS (CONTINUED)

Pacific Scientific Company
 Consolidated Statements of Cash Flows (unaudited, in thousands)

<TABLE>
 <CAPTION>

	SIX MONTHS ENDED	
	JUNE 30 1995	JULY 1 1994
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 5,445	\$ 3,917
Depreciation and amortization	5,455	5,731
Deferred income taxes	120	0
Decrease in accrued employee benefit plan liabilities	(428)	(222)
Loss on disposal of property	11	91
Effect on cash of changes in assets and liabilities, net of the effects of business acquisitions:		
Trade receivables	(639)	(1,252)
Inventories	(1,421)	(4,156)
Other current assets	(794)	(80)
Accounts payable	2,227	(1,000)
Accrued employee compensation and benefits	201	510
Other current liabilities	(516)	(129)
Net cash flows from operating activities	9,661	3,410
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for business acquisitions, net of cash acquired	(11,625)	(1,290)
Purchases of property	(7,851)	(4,766)
Decrease in short-term investments	323	2
Decrease (increase) in restricted cash and other assets	(1,277)	231
Net cash flows from investing activities	(20,430)	(5,823)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Purchase of convertible subordinated debentures	(5)	0
Issuance (repayments) of short-term debt	300	(1,250)
Issuance of long-term debt	13,125	4,250
Cash dividends on common stock	(659)	(326)
Issuances of common stock	514	585
Net cash flows from financing activities	13,275	3,259
EFFECT OF EXCHANGE RATE CHANGES	(122)	0
NET INCREASE IN CASH	2,384	846
CASH, Beginning of Period	1,655	2,081
CASH, End of Period	\$ 4,039	\$ 2,927

</TABLE>

The accompanying notes to consolidated financial statements are an integral part of this statement.

PART I - (Continued)

Item 1. Financial Statements (Continued)

Pacific Scientific Company, Notes to Consolidated Financial Statements

1) INTERIM ACCOUNTING POLICY

Interim periods are viewed as an integral part of the annual period. Accordingly, the results for each of the interim periods presented are based on the accounting principles and practices followed by the Company in the preparation of its annual financial statements. Certain costs and expenses are assigned to the periods presented so that the interim periods bear a reasonable portion of the anticipated annual amount. Included among these are estimated amounts for inventory adjustments, performance bonuses, employee fringe benefits and income taxes. The financial statements presented, in the opinion of management, include all adjustments necessary to present fairly the Company's interim financial statements.

PART I - (Continued)

Item 1. Financial Statements (Continued)

2) EARNINGS PER SHARE

Earnings per common and common equivalent share were computed by dividing net income by the weighted average number of common and common equivalent shares outstanding during each period. Common equivalent shares consist of the estimated number of shares issuable upon exercise of dilutive stock options reduced by the number of common shares assumed to have been reacquired with the proceeds from exercise of the options.

<TABLE>
<CAPTION>

	FOR THE THREE MONTHS ENDED		FOR THE SIX MONTHS ENDED	
	June 30, 1995	July 1, 1994	June 30, 1995	July 1, 1994
PRIMARY ----- <S>	<C>	<C>	<C>	<C>
AVERAGE NUMBER OF SHARES OUTSTANDING	10,994,874	10,845,472	10,984,109	10,830,484
AVERAGE NUMBER OF SHARES ASSUMING EXERCISE OF DILUTIVE EMPLOYEE STOCK OPTIONS	476,581 -----	322,238 -----	489,824 -----	318,814 -----
COMMON AND COMMON EQUIVALENT SHARES	11,471,455 =====	11,167,710 =====	11,473,933 =====	11,149,298 =====

</TABLE>

<TABLE>
<CAPTION>

	FOR THE THREE MONTHS ENDED		FOR THE SIX MONTHS ENDED	
	June 30, 1995	July 1, 1994	June 30, 1995	July 1, 1994
FULLY DILUTED -----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
AVERAGE NUMBER OF SHARES OUTSTANDING	10,994,874	10,845,472	10,984,109	10,830,484
CONVERTIBLE DEBENTURES	909,526	---	909,564	---
AVERAGE NUMBER OF SHARES ASSUMING EXERCISE OF DILUTIVE EMPLOYEE STOCK OPTIONS	476,677 -----	324,036 -----	479,284 -----	329,996 -----
COMMON AND COMMON EQUIVALENT SHARES	12,381,077 =====	11,169,508* =====	12,372,957 =====	11,160,480* =====

</TABLE>

*The computation of fully diluted shares for the periods ended July 1, 1994 is antidilutive and accordingly was not included in the computation of earnings per share.

NOTE: The Company has outstanding convertible subordinated debentures. Inclusion of these debentures would be antidilutive and, accordingly, they have been excluded from the above totals.

3) RECLASSIFICATIONS

Certain reclassifications have been made to the 1994 amounts to conform to the 1995 financial statement presentation.

6

7

PART I - (Continued)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations - Second Quarter 1995 vs. Second Quarter 1994

Net sales were \$68,893,000 in the second quarter of 1995, a 20% or \$11,705,000 increase in sales over the same period in the prior year. Second quarter sales in the Electrical Equipment segment were \$52,155,000, a 31% or \$12,337,000 increase over the same period of the prior year. The acquisitions of Royce Thompson Ltd. in the second quarter of 1994 and Eduard Bautz GmbH in the first quarter of 1995 accounted for \$6,626,000 of the increase in sales of the Electrical Equipment segment. The sales from the Safety Equipment segment were \$16,738,000, a 4% or \$632,000 decrease compared to the same period of the prior year.

Gross margin on sales increased \$4,211,000 to 33% of sales in the second quarter of 1995 from 32% in the prior year reflecting improved margins mainly within the Automation Technology Group. Selling, general and administrative expenses were less than 20% of sales in the second quarter of 1995. This was a

decline from approximately 21% in the same period of the prior year reflecting control of expenses and the economics of scale associated with the higher sales base. Research and development expenses increased \$1,159,000 or 52% in the second quarter of 1995 over the same period in the prior year. R&D expenses are now equal to 4.9% of sales reflecting continued emphasis on new product development which should accelerate future growth in sales.

Interest and Other (Net) increased \$412,000 in the current quarter compared to the second quarter of 1994 due to a combination of higher borrowings caused principally by the acquisition of Eduard Bautz GmbH and by the 1.0% higher average rate of interest being paid on the amount borrowed.

Income before taxes increased 26% due to a 20% increase in sales and control of operating expenses. Pre-tax income was effected by \$1,424,000 of additional income from acquisitions and approximately \$825,000 of additional expense due to increasing R&D expenses as a percentage of sales.

The estimated annual effective tax rate for 1995 is 37.5% as compared to the prior year's effective rate of 39% for the second quarter.

Net income of \$0.25 per share in 1995 compares to \$0.20 per share in the second quarter of 1994. The 1994 earnings reflect the 2 for 1 stock split effective December 16, 1994. In addition to the stock split, the remaining increase in the number of shares is accounted for by the exercise of employee stock options and the effect of options outstanding at stock prices below the current market price.

Total orders received in the second quarter of 1995 were \$69,644,000, up 18% from the prior year. Orders for the Electrical Equipment segment during the second quarter totaled \$54,750,000, up 27% while orders for the Safety Equipment segment totaled \$14,894,000, down 6% as compared to the same quarter of the prior year. The decline in Safety Equipment orders is due to both delays and reductions in procurement by the military and the aerospace industry. Orders for spare parts from the worldwide airline industry increased compared to the prior year.

The backlog of orders at June 30, 1995 and July 1, 1994 was \$93,851,000 and 96,709,000, respectively. As the ratio of sales between Electrical Equipment and Safety Equipment increases, backlog is expected to be a less significant indication of future business due to the shorter delivery cycle of Electrical Equipment. In the just completed quarter, sales of Electrical Equipment equaled 75.7% of total sales as compared to 69.6% in the same quarter of the prior year.

7

8

PART I - (Continued)

Item 2. Management's Discussion - (Continued)

The Company's inertia reels, used as personnel restraints on military aircraft, which were temporarily suspended in 1991, have not yet been requalified by the U.S. Air Force and relisted on the "Qualified Product List" (QPL). However, certain military agencies are again purchasing the Company's inertia reels by waiving the QPL requirement. Although the Company continues to believe, after more than thirty years experience, that its inertia reels are designed and manufactured to meet all known requirements, it is not possible to project when the U.S. Air Force will approve our products for the QPL.

Six Months Comparison - First Half 1995 vs. First Half 1994

Net sales were \$133,737,000 in the first half of 1995, a 23% or \$24,964,000 increase in sales over the same period in the prior year. First half sales in the Electrical Equipment segment were \$101,110,000, a 31% or \$24,062,000 increase over the same period of the prior year. The acquisitions of Royce

Thompson Ltd. in the second quarter of 1994 and Eduard Bautz GmbH in the first quarter of 1995 accounted for \$11,462,000 of the increase in sales of the Electrical Equipment segment. The sales from the Safety Equipment segment were \$32,627,000, a 3% or \$902,000 increase compared to the same six month period of the prior year.

Gross margin on sales increased \$8,101,000 to 32% of sales in the first half of 1995 compared to the prior year reflecting improved margins mainly within the Automation Technology Group.

Selling, general and administrative expenses were less than 20% of sales the first half of 1995. This is a decline from approximately 21% in the same period of the prior year reflecting control of expenses and the economics of scale associated with the higher sales base.

Research and development expenses increased \$1,943,000 or 45% in the first half of 1995 over the same period in the prior year. R&D expenses are equal to 4.7% of the six month sales reflecting continued emphasis on new product development.

Income before taxes increased 36% primarily due to a 23% increase in sales and control of operating expenses. Pre-Tax income was affected by \$2,603,000 of additional income from acquisitions and approximately \$950,000 of additional expenses due to increased R&D expenses as a percent of sales.

The estimated annual effective tax rate for 1995 is 37.5% as compared to the prior year's effective rate of 39% for the first half.

Net income of \$0.47 per share in 1995 compares to \$0.35 per share in the first half of 1994. The 1994 earnings reflect the 2 for 1 stock split effective December 16, 1994. In addition to the stock split, the remaining increase in the number of shares is accounted for by the exercise of employee stock options and the effect of options outstanding at stock prices below the current market price.

Orders for the Electrical Equipment segment during the first half totaled \$106,888,000 up 30% while total orders received in the first half of 1995 total \$136,647,000, up 20% from the prior year.

Orders for the Safety Equipment segment totaled \$29,759,000 down 6% as compared to the same period of the prior year. The decline in Safety Equipment orders is due to both delays and reductions in procurement by the military and the aerospace industry. Orders for spare parts from the worldwide airline industry increased compared to the prior year.

8

9

PART I - (Continued)

Item 2. Management's Discussion (Continued)

Financial Position and Liquidity

Debt less cash, restricted cash, and short-term investments was \$47,820,000 at the end of the first six months in 1995 as compared to the \$41,380,000 in the same period of the prior year. This increase of \$6,440,000 resulted principally from the acquisition of Eduard Bautz, GmbH at the beginning of 1995.

Operations provided cash of \$9,661,000 in the first six months of 1995 as compared to \$3,410,000 in the same period of the prior year.

The increase in cash flow from operations is primarily due to:

<TABLE>

<S>	<C>
Increase in accounts payables	\$3,227,000
Decrease in inventories	2,735,000
Increase in income	1,528,000
Other	(1,239,000)

Increase in Cash Flow from Operating Activities	\$6,251,000
	=====

</TABLE>

The Company's working capital was \$62,936,000 on June 30, 1995 for a current ratio of 2.7:1. On July 1, 1994 working capital was \$57,416,000.

At the end of the second quarter of 1995, the Company had unused lines of credit of \$20.9 million.

The Company believes that internally generated funds will provide sufficient capital resources to finance operations, fund planned capital expenditures, pay interest and dividends on outstanding debt and common stock, and reduce outstanding debt.

9

10

PART II - OTHER INFORMATION

Item 4. Submission of Matters of a Vote of Security Holders

At the annual meeting of the Company's stockholders held on April 26, 1995, the stockholders approved (a) the amendment of the Company's Restated Articles of Incorporation to increase the authorized number of shares of common stock from 15,000,000 to 30,000,000, by a vote of 8,003,000 shares in favor, 1,131,943 against or withheld, 210,285 abstentions and 0 broker non-votes; and (b) the Company's 1995 Stock Option Plan (incorporated herein by reference to the Company's proxy statement filed March 16, 1995), by a vote of 5,386,431 shares in favor, 1,370,533 against or withheld, 187,718 abstentions and 2,401,327 broker non-votes.

Item 6. Exhibits and Reports on Form 8-K

Exhibits:

3(i) Articles of Incorporation.

3(ii) Bylaws

22(a) Pacific Scientific Company 1995 Stock Option Plan. (1)

22(b) Amendment to Article Fourth of the Registrant's Restated Articles of Incorporation which increased the authorized number of shares of the Registrant from 15 million to 30 million. (1)

Reports on Form 8-K:

None

(1) Incorporated by reference to Registrant's Proxy Statement filed March 16, 1995.

10

11

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PACIFIC SCIENTIFIC COMPANY, Registrant

By: /s/ Richard V. Plat

Richard V. Plat
Executive Vice President

Date: July 28, 1995

11

ARTICLES OF INCORPORATION
OF
PACIFIC SCIENTIFIC COMPANY

FIRST: The name of this corporation is: PACIFIC SCIENTIFIC COMPANY

SECOND: The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

THIRD: The corporation elects to be governed by all the provisions of the General Corporation Law of California as effective January 1, 1977 and as subsequently amended not other wise applicable to it under Chapter 23 thereof.

FOURTH: This corporation is authorized to issue two classes of shares to be designated respectively "Preferred Stock" and "Common Stock"; the total number of shares which this corporation is authorized to issue is thirty-two million (32,000,000), and the aggregate par value of all shares that are to have a par value is thirty-two million dollars (\$32,000,000) and (a) the number of shares of Preferred Stock is two million (2,000,000) and the par value of each of such shares shall be one dollar (\$1), and (b) the number of shares of Common Stock is thirty million (30,000,000) and the par value of each of such shares shall be one dollar (\$1).

The shares of Preferred Stock may be issued from time to time in one or more series. The board of directors is hereby authorized to fix or alter the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), the redemption price or prices, and the liquidation preferences of any wholly

unissued series of shares of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or any of these; and,

within the limitations and restrictions stated in any resolution or resolutions of the board of directors originally fixing the number of shares constituting any series, to increase or decrease the number of shares of any such series subsequent to the issue of shares of that series, but not below the number of shares of such series then outstanding. The term "fixed for such series" and correlative terms shall mean stated in a resolution or resolutions lawfully adopted by the board of directors in exercise of such authority thus granted. All shares of Preferred Stock shall be of equal rank and shall be identical in all respects except in respect of the particulars that may be fixed by the board of directors as hereinabove in this Article Fourth provided.

Except as provided in the resolution or resolutions fixing the terms of any series of Preferred Stock or as otherwise provided by law, the holders of shares of Common Stock shall have and possess the exclusive voting rights and owners, and the holders of shares of Preferred Stock shall have no voting rights or powers.

FIFTH:

- (a) The provisions of paragraph (b) of this Article Fifth shall not apply to any transaction (i) between the corporation and any one or more of its wholly owned subsidiaries; (ii) that is a merger for which, except for the requirements of this Article Fifth, approval by the stock-holders of the corporation is not required by the General Corporation Law of California; (iii) that is a merger in which the corporation is the surviving entity (as hereinafter defined); (iv) that has been approved by the board of directors of the corporation either (a) unanimously, or (b) prior to the acquisition by any Person that is an associate of the corporation (as those terms are hereinafter defined) of the beneficial ownership of five percent (5%) or more of the outstanding shares of stock of this corporation; or (v) in which all of the following conditions are satisfied:

2

3

- (1) The cash or fair market value of the property, securities or other consideration to be received per share by holders of the stock of this corporation in such transaction is not less than the higher of (i) the highest per share price (as hereinafter defined) paid by such

associated Person in acquiring any of its holdings of this corporation's stock or (ii) an amount which bears the same or a greater percentage relationship to the market price of this corporation's stock immediately prior to the announcement of

such transaction as the highest per share price determined in (i) above bears to the market price of this corporation's stock immediately prior to the commencement of acquisition of this corporation's stock by such associated Person, but in no event in excess of two times the highest per share price determined in (i), above; and

- (2) After becoming an associated Person and prior to the consummation of such business combination, (i) such associated Person shall not have acquired any newly issued shares of capital stock, directly or indirectly, from this corporation (except upon conversion of convertible securities acquired by it prior to becoming an associated Person or upon compliance with the provisions of this Article Fifth or as a result of a pro rata stock dividend or stock split), (ii) such associated Person shall not have received the benefit, directly or indirectly (except proportionately as a stockholder) of any loans, other financial assistance or tax credits provided by this corporation, or made any major changes in this corporation's business or equity capital structure, and (iii) there shall have been no reduction in the rate of dividends payable on the corporation's Common Stock, except as may have been approved by unanimous vote of the directors; and

- (3) A proxy statement responsive to the requirements of the Securities Exchange Act of 1934, whether or not this corporation is then subject to such requirements, shall be mailed to the public stockholders of this corporation for the purpose of soliciting stockholder approval of such transaction and shall contain at the front thereof, in a prominent place (i) any recommendations as to the advisability (or inadvisability) of the transaction which any of the directors may choose to state, and (ii) the opinion of a reputable national investment banking firm as to the fairness (or not) of the terms of such business combination, from the point of view of the remaining public stockholders of this corporation (such

investment banking firm to be engaged solely on behalf of the remaining public stockholders, to be paid a reasonable fee for its services by this corporation upon receipt of such opinion, to be one of the so-called major bracket investment banking firms which has not previously been associated with such

associated Person and, if there are at the time any such directors, to be selected by a majority of the outside directors).

- (b) Except as set forth in paragraph (a) of this Article Fifth,
- (1) The adoption of any agreement for the merger of the corporation with or into any other Person that is an associate of the corporation, or
 - (2) The authorization of any sale, lease, transfer, exchange or other disposition to any other Person that is an associates of the corporation of all or substantially all of the assets of the corporation, or any part of such assets having a then fair market value equal to or greater than fifty percent (50%) of the then fair market value of the total assets of the corporation, shall require (i) the affirmative vote of the

4

5

holders of at least a majority of the outstanding shares of stock of the corporation entitled to vote exclusive of shares owned beneficially (as hereinafter defined) by any such other Person, and (ii) the affirmative vote of the holders of at least two-thirds of the outstanding shares of stock of the corporation entitled to vote.

- (c) For the purposes of this Article Fifth:
- (1) Any specified Person shall be deemed to be the "beneficial owner" of shares of stock of the corporation (A) which such specified Person or any affiliate or associate (as such terms are hereinafter defined) or such Person beneficially owns, directly or indirectly, whether of record or not, (B) which such specified Person or any affiliate or associate of such Person has the right to acquire pursuant to any agreement or (C) which are beneficially owned,

directly or indirectly [including shares deemed owned through application of clauses (A) or (B) above], by any other Person with which such specified Person or any affiliate or associate of such specified Person has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of voting securities of the corporation.

- (2) A "Person" is an individual corporation, partnership, joint venture, trust or unincorporated organization, or a government or any agency or political subdivision thereof.
- (3) An "affiliate" of a specified Person is any Person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, the specified Person.

5

6

- (4) An "associate" of a specified Person is (A) any Person who is, directly or indirectly, the beneficial owner of five percent (5%) or more of any class of equity securities of such specified Person or who is an officer, director, trustee or partner of such specified Person or any affiliate of such specified Person, (B) any trust or estate in which such specified Person has a substantial beneficial interest or as to which such specified Person serves as a trustee or in a similar fiduciary capacity, and (C) any relative or spouse of such specified Person, or any relative of such spouse, who has the same home as such specified Person.
- (5) The corporation shall be the "surviving entity" in any merger in which: (A) the stockholders of the corporation immediately prior to the merger own immediately after the merger the same stock of the corporation they owned immediately prior to the merger, subject to their rights, if any, under the General Corporation Law of California as dissenting stockholders; and (B) the stockholders of the corporation immediately prior to the merger (other than any Person with or into which the corporation merges or any affiliate or associate of such Person) own immediately after the merger, subject to the same rights, if any, as dissenting stockholders, stock possessing at least a majority of the voting power of the corporation. For the purpose of the preceding clause (B), (i) the voting power of the corporation shall be calculated by assuming the conversion of all equity securities convertible (immediately or at some future time) into stock entitled to vote but not assuming the exercise of any warrant or right to subscribe to or purchase such stock, and (ii) in determining the ownership of voting stock of the corporation immediately after the merger, voting stock received by reason of the

ownership of stock of another party to the merger owned immediately prior to the merger shall be disregarded.

6

7

- (6) A "merger" is a merger in accordance with Chapter 11 of the General Corporation Law of California.
 - (7) All references to the "highest per share price" shall mean the per share price inclusive of brokerage commissions, soliciting dealers' fees, dealer-management compensation, and other expenses, including, but not limited to, costs of newspaper advertisements, printing expenses and attorneys' fees.
 - (8) All references to the "General Corporation Law of California" shall mean Division 1 of Title 1 of the California Corporations Code as in effect at the time of this amendment and all amendments thereto thereafter adopted.
- (d) The board of directors of the corporation shall have the power to determine, for purposes of this Article Fifth on the basis of information then known to the board:
- (1) The fair market value of any assets of the corporation proposed to be disposed of in a transaction of the character referred to in paragraph (b) (2) of this Article Fifth, and the fair market value of the total assets of the corporation;
 - (2) Whether any Person referred to in paragraph (b) of this Article Fifth is the beneficial owner of the outstanding securities of the corporation entitled to vote and the extent of such beneficial ownership; and
 - (3) Whether by reason of paragraph (a) of this Article Fifth, paragraph (b) of this Article Fifth does not apply to a transaction.

Any such determination shall be conclusive and binding for all purposes of this Article Fifth.

7

- (e) This article Fifth may be amended only upon receiving the affirmative vote of the holders of at least two-thirds of all outstanding shares of the corporation entitled to vote.

SIXTH: The personal liability of the directors of the corporation for monetary damages shall be eliminated to the fullest extent permissible under California law, as the same exists and to such greater extent as California law may hereafter permit.

SEVENTH: The corporation is authorized to indemnify any agent (as hereinafter defined) to the maximum and broadest extent permitted by California law, as the same exists when this Article Seventh becomes effective and to such greater extent as California law may thereafter permit, if and to the extent such agent becomes entitled to indemnification by bylaw, agreement, vote of shareholders or disinterested directors or otherwise. This authorization includes, without limitation, the authority to indemnify any agent in excess of that otherwise expressly permitted by Section 317 of the California Corporations Code as to action in an official capacity and as to action in another capacity while holding such office for breach of duty to the corporation and its shareholders, provided, however, that the corporation is not authorized to indemnify any agent for any acts or omissions from which a director may not be relieved of liability as set forth in the exceptions to Paragraph (10) of Section 204(a) of the California Corporations Code or as to circumstances in which indemnity is expressly prohibited by Section 317 of the California Corporations Code. When used in this Article Seventh, "agent" shall have the meaning assigned to this term in Section 317 of the California Corporations Code. Each reference in this Article Seventh to a provision of the California Corporations Code shall mean that provision when this Article Seventh becomes effective and as the same may be amended thereafter from time to time, but only to the extent that such amendment would broaden or increase the scope or magnitude of permissible indemnification.

BYLAWS

PACIFIC SCIENTIFIC COMPANY

ARTICLE I

OFFICES

SECTION 1 PRINCIPAL OFFICES. The board of directors shall fix the location of the principal executive office of the corporation at any place within or outside the State of California. If the principal executive office is located outside this state, and the corporation has one or more business offices in this state, the board of directors shall fix and designate a principal business office in the State of California.

SECTION 2 OTHER OFFICES. The board of directors may at any time establish, or may designate an officer of the corporation to establish branch or subordinate offices at any place or places where the corporation is qualified to do business.

ARTICLE II

MEETING OF SHAREHOLDERS

SECTION 1 PLACE OF MEETINGS. Meetings of shareholders shall be held at any place within or outside the State of California designated by the board of directors. In the absence of any such designation, shareholders' meetings shall be held at the principal executive office of the corporation.

SECTION 2 ANNUAL MEETING. The annual meeting of shareholders shall be held each year on a date and at a time designated by the board of directors. At each annual meeting, directors shall be elected, and any other proper business may be transacted.

SECTION 3 SPECIAL MEETING. A special meeting of the shareholders may be called at any time by the board of directors, or by the chairman of the board, or by the president, or by one or more shareholders holding shares in the aggregate entitled to cast not less than 10% of the votes at that meeting.

If a special meeting is called by any person or persons other than the board of directors, the request shall be in writing, specifying the time of such meeting

and the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the chairman of the board, the president, any vice president, or the secretary of the corporation. The officer receiving the request shall cause notice to be promptly given to the shareholders entitled to vote, in accordance with the provisions of Sections 4 and 5 of this Article II, that a meeting will be held at the time requested by the person or persons calling the meeting, not less than thirty-five (35) nor more than sixty (60) days after the receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing contained in this paragraph of this Section 3 shall be construed as limiting, fixing or affecting the time when a meeting of shareholders called by action of the board of directors may be held.

-1-

2

SECTION 4 NOTICE OF SHAREHOLDERS' MEETINGS. All notices of meeting of shareholders shall be sent or otherwise given in accordance with Section 5 of this Article II not less than ten (10) nor more than sixty (60) days before the date of the meeting. The notice shall specify the place, date and hour of the meeting and (i) in the case of a special meeting, the general nature of the business to be transacted or (ii) in the case of the annual meeting, those matters which the board of directors, at the time of giving the notice, intends to present for action by the shareholders. The notice of any meeting at which directors are to be elected shall include the name of any nominee or nominees whom, at the time of the notice, management intends to present for election.

If action is proposed to be taken at any meeting for approval of (i) a contract or transaction in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (ii) an amendment of the Articles of Incorporation, pursuant to Section 902 of that Code, (iii) a reorganization of the corporation, pursuant to Section 1201 of that Code, (iv) a voluntary dissolution of the corporation, pursuant to Section 1900 of that Code, or (v) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall also state the general nature of that proposal.

SECTION 5 MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE. Notice of any meeting of shareholders shall be given either personally or by first-class mail or telegraphic or other written communication, charges prepaid, addressed to the shareholder at the address of that shareholder appearing on the books of the corporation or given by the shareholder to the corporation for the purpose of notice. If no such address appears on the corporation's books or is given,

notice shall be deemed to have been given if sent to that shareholder by first-class mail or telegraphic or other written communication to the corporation's principal executive office, or if published at least once in a newspaper of general circulation in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

If any notice addressed to a shareholder at the address of that shareholder appearing on the books of the corporation is returned to the corporation by the United States Postal Service marked to indicate that the United States Postal Service is unable to deliver the notice to the shareholder at that address, all future notices or report shall be deemed to have been duly given without further mailing if these shall be available to the shareholder on written demand of the shareholder at the principal executive office of the corporation for a period of one year from the date of the giving of the notice.

An affidavit of the mailing or other means of giving any notice of any shareholders' meeting shall be executed by the secretary, assistant secretary, or any transfer agent of the corporation giving the notice, and shall be filed and maintained in the minute book of the corporation.

SECTION 6 QUORUM. The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting of shareholders shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

SECTION 7 ADJOURNED MEETING; NOTICE. Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the shares represented at that meeting, either in person or by proxy, but in the absence of a quorum, no other business may be transacted at that meeting, except as provided in Section 6 of this Article II.

When any meeting of shareholders, either annual or special, is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place are announced at a meeting at which the adjournment is taken, unless a new record date for the adjourned meeting is fixed, or unless the adjournment is for more than forty-five (45) days from the date set for the

original meeting, in which case the board of directors shall set a new record date. Notice of any such adjourned meeting shall be given to each shareholder of record entitled to vote at the adjourned meeting in accordance with the provisions of Sections 4 and 5 of this Article II. At any adjourned meeting the corporation may transact any business which might have been transacted at the original meeting.

SECTION 8 VOTING. The shareholders entitled to vote at any meeting of shareholders shall be determined in accordance with the provisions of Section 11 of this Article II, subject to the provisions of Sections 702 to 704, inclusive, of the Corporations Code of California (relating to voting shares held by a fiduciary, in the name of a corporation, or in joint ownership). The shareholders' vote may be by voice vote or by ballot; provided, however, that any election for directors must be by ballot if demanded by any shareholder before the voting has begun. On any matter other than elections of directors, any shareholder may vote part of the shares in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, but, if the shareholder fails to specify the number of shares which the shareholder is voting affirmatively, it will be conclusively presumed that the shareholder's approving vote is with respect to all shares that the shareholder is entitled to vote. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on any matter (other than the election of directors) shall be the act of the shareholders, unless the vote of a greater number or voting by classes is required by California General Corporation Law or by the Articles of Incorporation.

At a shareholders' meeting at which directors are to be elected, no shareholder shall be entitled to cumulate votes (i.e., cast for any one or more candidates a number of votes greater than the number of the shareholder's shares) unless the candidates' names have been placed in nomination prior to commencement of the voting and a shareholder has given notice prior to commencement of the voting of the shareholder's intention to cumulate votes. If any shareholder has given such a notice, then every shareholder entitled to vote may cumulate votes for candidates in nomination and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which that shareholder's shares are entitled, or distribute the shareholder's votes on the same principle among any or all of the candidates, as shareholder thinks fit. The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected.

SECTION 9 WAIVER OF NOTICE OR CONSENT BY ABSENT SHAREHOLDERS. The transactions of any meeting of shareholders, either annual or special, however called and notice, and wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum, be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting, or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted for the purpose of any annual or special meeting of shareholders, except that, if action is taken or proposed to be

taken for approval of any of those matters specified in the second paragraph of Section 4 of this Article II, the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Attendance by a person at a meeting shall also constitute a waiver of notice of that meeting, except when the person objects, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened, and except that attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting.

-3-

4

SECTION 10 SHAREHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING. Any action which may be taken at any annual or special meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take that action at a meeting at which all shares entitled to vote thereon were present and voted. In the case of election of directors, such a consent shall be effective only if signed by the holders of all outstanding shares entitled to vote for the election of directors; provided, however, that a director may be elected at any time to fill a vacancy on the board of directors that has not been filled by directors, by the written consent of the holders of a majority of the outstanding shares entitled to vote for the election of directors. All such consents shall be filed with the secretary of the corporation and shall be maintained in the corporate records. Any shareholder giving a written consent, or the shareholder's proxy holders, or a transferee of the shares or a personal representative of the shareholder or their respective proxy holders, may revoke the consent by a writing received by the secretary of the corporation before written consents of the number of shares required to authorize the proposed action have been filed with the secretary.

If the consents of all shareholders entitled to vote have not been solicited in writing, and if the unanimous written consent of all such shareholders shall not have been received, the secretary shall give prompt notice of the corporate action approved by the shareholders without a meeting. This notice shall be given in the manner specified in Section 5 of this Article II. In the case of approval of (i) contracts or transactions in which a director has a direct or indirect financial interest, pursuant to Section 310 of the Corporations Code of California, (ii) indemnification of agents of the corporation, pursuant to Section 317 of that Code, (iii) a reorganization of the corporation, pursuant

to Section 1201 of that Code, and (iv) a distribution in dissolution other than in accordance with the rights of outstanding preferred shares, pursuant to Section 2007 of that Code, the notice shall be given at least ten (10) days before the consummation of any action authorized by that approval.

SECTION 11 RECORD DATE FOR SHAREHOLDER NOTICE, VOTING, AND GIVING CONSENTS.

For purposes of determining the shareholders entitled to notice of any meeting or to vote or entitled to give consent to corporate action without a meeting, the board of directors may fix, in advance, a record date which shall not be more than sixty (60) days nor less than ten (10) days before the date of any such meeting nor more than sixty (60) days before any such action without a meeting, and in this event only shareholders of record on the date so fixed are entitled to notice and to vote or to give consents, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date, except as otherwise provided in the California General Corporation Law.

If the board of directors does not so fix a record date:

(a) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day on which notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held.

(b) The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting, (i) when no prior action by the board has been taken, shall be the day on which the first written consent is given or (ii) when prior action of the board has been taken, shall be at the close of business on the day on which the board adopts the resolution relating to that action, or the sixtieth (60th) day before the date of such other action, whichever is later.

-4-

5

SECTION 12 PROXIES. Every person entitled to vote for directors or on any other matter shall have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the secretary of the corporation. A proxy shall be deemed signed if the shareholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission, or otherwise) by the shareholder or the shareholder's attorney in fact. A validly executed proxy which does not state that it is irrevocable shall continue in full force and effect unless (i)

revoked by the person executing it, before the vote pursuant to that proxy, by a writing delivered to the corporation stating that the proxy is revoked, or by a subsequent proxy executed by, or attendance at the meeting and voting in person by, the person executing the proxy; or (ii) written notice of the death or incapacity of the maker of that proxy is received by the corporation before the vote pursuant to that proxy is counted; provided, however, that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Sections 705(e) and 705(f) of the Corporations Code of California.

SECTION 13 INSPECTORS OF ELECTION. Before any meeting of shareholders, the board of directors may appoint any persons other than nominees for office to act as inspectors of election at the meeting or its adjournment. If no inspectors of election are so appointed, the chairman of the meeting may, and on the request of any shareholder or a shareholder's proxy shall, appoint inspectors of election at the meeting. The number of inspectors shall be either one (1) or three (3). If inspectors are appointed at a meeting on the request of one or more shareholders or proxies, the holders of a majority of shares or their proxies present at the meeting shall determine whether one (1) or three (3) inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the chairman of the meeting may, and upon the request of any shareholder or a shareholder's proxy shall, appoint a person to fill that vacancy.

These inspectors shall:

- (a) Determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies;
- (b) Receive votes, ballots, or consents;
- (c) Hear and determine all challenges and questions in any way arising in connection with the right to vote;
- (d) Count and tabulate all votes or consents;
- (e) Determine when the polls shall close;
- (f) Determine the result; and
- (g) Do any other acts that may be proper to conduct the election or vote with fairness to all shareholders.

ARTICLE III

DIRECTORS

SECTION 1 POWERS. Subject to the provisions of the California General Corporation Law and any limitations in the Articles of Incorporation and these Bylaws relating to action required to be approved by the shareholders or by the outstanding shares, the business and affairs of the corporation shall be managed and all corporate powers shall be exercised by or under the direction of the board of directors.

-5-

6

Without prejudice to these general powers, and subject to the same limitations, the directors shall have the power to:

- (a) Select and remove all officers, agents, and employees of the corporation; prescribe any powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws; fix their compensation; and require from them security for faithful service.
- (b) Change the principal executive office or the principal business office in the State of California from one location to another; cause the corporation to be qualified to do business in any other state, territory, dependency, or country and conduct business within or without the State of California; and designate any place within or without the State of California for the holding of any shareholders' meeting, or meetings, including annual meetings.
- (c) Adopt, make, and use a corporate seal; prescribe the forms of certificates of stock; and alter the form of the seal and certificates.
- (d) Authorize the issuance of shares of stock of the corporation on any lawful terms, in consideration of money paid, labor done, services actually rendered, debts or securities canceled, or tangible or intangible property actually received.
- (e) Borrow money and incur indebtedness on behalf of the corporation, and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.
- (f) Designate a director to be chairman of the board if that

office is not filled by an officer of the Company, said chairman to exercise and perform those powers and duties as are set forth in Article V Section 6 of these Bylaws.

SECTION 2 NUMBER AND QUALIFICATION OF DIRECTORS. The number of directors of the corporation shall not be less than five (5) nor more than eight (8). The exact number of directors shall be eight (8) until changed, within the limits specified above by a bylaw amending this Section 2, duly adopted by the board of directors or by the shareholders. The indefinite number of directors may be changed, or a definite number fixed without provision for an indefinite number, by a duly adopted amendment to the Articles of Incorporation or by an amendment to this Bylaw duly adopted by a vote or written consent of holders of a majority of the outstanding shares entitled to vote; provided, however, that any such amendment reducing the fixed number or the minimum number of directors to a number less than five (5) cannot be adopted if the votes cast against its adoption at a meeting of the shareholders, or the shares not consenting in the case of action by written consent, are equal to more than 16-2/3 percent of the outstanding shares entitled to vote. No amendment may change the stated maximum number of authorized directors to a number greater than two times the stated minimum number of directors minus one.

SECTION 3 ELECTION AND TERM OF OFFICE OF DIRECTORS. Directors shall be elected at each annual meeting of the shareholders to hold office until the next annual meeting. Each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

-6-

7

SECTION 4 VACANCIES. Vacancies in the board of directors may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, except that a vacancy created by the removal of a director by the vote or written consent of the shareholders or by court order may be filled only by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of holders of a majority of the outstanding shares entitled to vote. Each director so elected shall hold office until the next annual meeting of the shareholders and until a successor has been elected and qualified.

A vacancy or vacancies in the board of directors shall be deemed to exist in the event of the death, resignation, or removal of any director, or if the board of directors by resolution declares vacant the office of a director who has been declared of unsound mind by an order of court or convicted of a

felony, or if the authorized number of directors is increased, or if the shareholders fail, at any meeting of shareholders at which any director or directors are elected, to elect the number of directors to be voted for at that meeting.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors, but any such election by written consent shall require the consent of a majority of the outstanding shares entitled to vote.

Any director may resign effective on giving written notice to the chairman of the board, the president, the secretary, or the board of directors, unless the notice specifies later time for that resignation to become effective. If the resignation of a director is effective at a future time, the board of directors may elect a successor to take office when the resignation becomes effective.

No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

SECTION 5 PLACE OF MEETINGS AND MEETINGS BY TELEPHONE.

Regular meetings of the board of directors may be held at any place within or outside the State of California that has been designated from time to time by resolution of the board. In the absence of such a designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the board shall be held at any place within or outside the State of California that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, at the principal executive office of the corporation. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at the meeting.

SECTION 6 ANNUAL MEETING. Immediately following each annual meeting of shareholders, the board of directors shall hold a regular meeting for the purpose of organization, any desired election of officers, and the transaction of other business. Notice of this meeting shall not be required.

SECTION 7 OTHER REGULAR MEETINGS. Other regular meetings of the board of directors shall be held without call at such time as shall from time to time be fixed by the board of directors. Such regular meetings may be held without notice.

SECTION 8 SPECIAL MEETINGS. Special meetings of the board of directors for any purpose or purposes may be called at any time by the chairman of the board or the president or any vice president or the secretary or any two directors.

Notice of the time and place of special meetings shall be delivered personally or by telephone to each director or sent by first-class mail or telegram, charges prepaid, addressed to each director at that director's address as it is shown on the records of the corporation. In case the notice is mailed, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. In case the notice is delivered personally, or by telephone or telegram, it shall be delivered personally or by telephone or to the telegraph company at least forty-eight (48) hours before the time of the holding of the meeting. Any oral notice given personally or by telephone may be communicated either to the director or to a person at the office of the director who the person giving the notice has reason to believe will promptly communicate it to the director. The notice need not specify the purpose of the meeting nor the place if the meeting is to be held at the principal executive office of the corporation.

SECTION 9 QUORUM. A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 11 of this Article III. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the board of directors, subject to the provisions of Section 310 of the Corporations Code of California (as to approval of contracts or transactions in which a director has a direct or indirect material financial interest), Section 311 of that Code (as to appointment of committees), and Section 317(e) of that Code (as to indemnification of directors). A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

SECTION 10 WAIVER OF NOTICE. The transactions of any meeting of the board of directors, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement, the lack of notice to that director.

SECTION 11 ADJOURNMENT. A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

SECTION 12 NOTICE OF ADJOURNMENT. Notice of the time and place

of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than twenty-four (24) hours, in which case notice of the time and place shall be given before the time of the adjourned meeting, in the manner specified in Section 8 of this Article III, to the directors who were not present at the time of the adjournment.

SECTION 13 ACTION WITHOUT MEETING. Any action required or permitted to be taken by the board of directors may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the board of directors. Such written consent or consents shall be filed with the minutes of the proceedings of the board.

-8-

9

SECTION 14 FEES AND COMPENSATION OF DIRECTORS. Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be fixed or determined by resolution of the board of directors. This Section 14 shall not be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation for those services.

ARTICLE IV

COMMITTEES

SECTION 1 COMMITTEES OF DIRECTORS. The board of directors may, by resolution adopted by a majority of the authorized number of directors, designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the board. The board may designate one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. Any committee, to the extent provided in the resolution of the board, shall have all the authority of the board, except with respect to:

- (a) the approval of any action which, under the General Corporation Law of California, also requires shareholders' approval or approval of the outstanding shares;
- (b) the filling of vacancies on the board of directors or in any committee;
- (c) the fixing of compensation of the directors for serving on the

board or on any committee;

- (d) the amendment or repeal of bylaws or the adoption of new bylaws;
- (e) the amendment or repeal of any resolution of the board of directors which by its express terms is not so amendable or repealable;
- (f) a distribution to the shareholders of the corporation, except at a rate or in a periodic amount or within a price range determined by the board of directors; or
- (g) the appointment of any other committees of the board of directors or the members of these committees.

SECTION 2 MEETINGS AND ACTION OF COMMITTEES. Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of Article III of these Bylaws, Sections 5 (Place of Meetings), 7 (Regular Meetings), 8 (Special Meetings and Notice), 9 (Quorum), 10 (Waiver of Notice), 11 (Adjournment), 12 (Notice of Adjournment), and 13 (Action Without Meeting), with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the board of directors and its members, except that the time of regular meetings of committees may be determined either by resolution of the board of directors or by resolution of the committee; special meetings of committees may also be called by resolution of the board of directors; and notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The board of directors may adopt rules for the government of any committee not inconsistent with the provisions of these Bylaws.

-9-

10

ARTICLE V

OFFICERS

SECTION 1 OFFICERS. The officers of the corporation shall be a president, a secretary, and a chief financial officer. The corporation may also have, at the discretion of the board of directors, a chairman of the board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article V. Any number of offices may be held by the same person.

SECTION 2 ELECTION OF OFFICERS. The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article V, shall be chosen by the board of directors, and each shall serve at the pleasure of the board, subject to the rights, if any, of an officer under any contract of employment.

SECTION 3 SUBORDINATE OFFICERS. The board of directors may appoint, and may empower the president to appoint, such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the Bylaws or as the board of directors may from time to time determine.

SECTION 4 REMOVAL AND RESIGNATION OF OFFICERS. Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by the board of directors, at any regular or special meeting of the board, or except in case of an officer chosen by the board of directors, by any officer upon whom such power of removal may be conferred by the board of directors.

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

SECTION 5 VACANCIES IN OFFICES. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office.

SECTION 6 CHAIRMAN OF THE BOARD. The chairman of the board, if such an officer be elected, shall, if present, preside at meetings of the board of directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the board of directors or prescribed by the Bylaws. If there is no president, the chairman of the board shall, in addition, be the chief executive officer of the corporation and shall have the powers and duties prescribed in Section 7 of this Article V.

SECTION 7 PRESIDENT. Subject to such supervisory powers, if any, as may be given by the board of directors to the chairman of the board, if there be such an officer, the president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, have general supervision, direction and control of the business and the officers of the corporation. He shall preside at all meetings of the shareholders and, in the absence of the chairman of the board, or if there be none, at all meetings of the board of directors. He shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the board of directors or the Bylaws.

11

SECTION 8 VICE PRESIDENTS. In the absence or disability of the president, the vice presidents, if any, in order of their rank as fixed by the board of directors or, if not ranked, a vice president designated by the board of directors, shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the president. The vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the board of directors or the Bylaws, and the president, or the chairman of the board.

SECTION 9 SECRETARY. The secretary shall keep or cause to be kept, at the principal executive office or such other place as the board of directors may direct, a book of minutes of all meetings and actions of directors, committees of directors, and shareholders, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at directors' meetings or committee meetings, the number of shares present or represented at shareholders' meetings, and the proceedings.

The secretary shall keep, or cause to be kept, at the principal executive office or at the office of the corporation's transfer agent or registrar, as determined by resolution of the board of directors, a share register, or a duplicate share register, showing the names of all shareholders and their addresses, the number and classes of shares held by each, the number and date of certificates issued for the same and the number and date of cancelation of every certificate surrendered for cancelation.

The secretary shall give, or cause to be given, notice of all meetings of the shareholders and of the board of directors required by the Bylaws or by law to be given, and he shall keep the seal of the corporation if one be adopted, in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the board of directors or by the Bylaws.

SECTION 10 CHIEF FINANCIAL OFFICER. The chief financial officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and shares. The books of account shall at all reasonable times be open to inspection by any director.

The chief financial officer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositories as may be

designated by the board of directors. He shall disburse the funds of the corporation as may be ordered by the board of directors, shall render to the president and directors, whenever they request it, an account of all of his transactions as chief financial officer and of the financial condition of the corporation, and shall have other powers and perform such other duties as may be prescribed by the board of directors or the Bylaws.

ARTICLE VI

INDEMNIFICATION OF DIRECTORS, OFFICERS EMPLOYEES AND OTHER AGENTS

SECTION 1 DIRECTORS. The corporation shall, to the maximum extent permitted by California law, indemnify each of its directors against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was a director of the corporation. Expenses incurred by any director in defending any proceedings shall be advanced by the corporation to the maximum extent permitted by California law.

-11-

12

SECTION 2 AGENTS. The corporation shall have the authority to the maximum extent authorized by the Articles of Incorporation and not expressly prohibited by the California General Corporations Code, to indemnify each of its agents (as defined below) against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the corporation. The corporation shall also have the authority, to the maximum extent permitted by California law, to enter into indemnity agreements with its agents and to advance expenses incurred by any agent of the corporation in defending any proceeding.

SECTION 3 OTHER RIGHTS. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under California law, any bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to be a benefit of the heirs, executors and administrators of the person.

SECTION 4 INSURANCE. The corporation shall have the authority to purchase and maintain insurance on behalf of agents of the corporation against any liability asserted against or incurred by any agent in

such capacity or arising out of the agent's status as agent.

SECTION 5 DEFINITIONS. For the purposes of this Article, an "agent" of the corporation includes any person who is or was a director, officer, employee, or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, or other enterprise; or was a director, officer, employee or agent of a corporation which was a predecessor corporation of the corporation or of another enterprise at the request of such predecessor corporation. For purposes of this Article, "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative. For purposes of this Article, "expenses" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification.

ARTICLE VII

RECORDS AND REPORTS

SECTION 1 MAINTENANCE AND INSPECTION OF SHARE REGISTER.

The corporation shall keep at its principal executive office, or at the office of its transfer agent or registrar, if either be appointed and as determined by resolution of the board of directors, a record of its shareholders, giving and names and addresses of all shareholders and the number of class of shares held by each shareholder.

A shareholder or shareholders of the corporation holding at least five percent (5%) in the aggregate of the outstanding voting shares of the corporation may (i) inspect and copy the records of shareholders' names and addresses and shareholdings during usual business hours on five days prior written demand on the corporation, and (ii) obtain from the transfer agent of the corporation, on written demand and on the tender of such transfer agent's usual charges for such list, a list of the shareholders' names and addresses, who are entitled to vote for the election of directors, and their shareholdings, as of the most recent record date for which that list has been compiled or as of a date specified by the shareholder after the date of demand. This list shall be made available to any such

-12-

13

shareholder by the transfer agent on or before the later of five (5) days after the demand is received or the date specified in the demand as the date as of which the list is to be compiled. The record of shareholders shall also be open to inspection on the written demand of any shareholder or holder of a

voting trust certificate, at any time during usual business hours, for a purpose reasonably related to the holder's interests as a shareholder or as the holder of a voting trust certificate. Any inspection and copying under this Section 1 may be made in person or by an agent or attorney of the shareholder or holder of a voting trust certificate making the demand.

SECTION 2 MAINTENANCE AND INSPECTION OF BYLAWS.

The corporation shall keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state, the original or a copy of the Bylaws as amended to date, which shall be open to inspection by the shareholders at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal business office in this state, the Secretary shall, upon the written request of any shareholder, furnish to that shareholder a copy of the Bylaws as amended to date.

SECTION 3 MAINTENANCE AND INSPECTION OF OTHER CORPORATE RECORDS.

The accounting books and records and minutes of proceedings of the shareholders and the board of directors and any committee or committees of the board of directors shall be kept at such place or places designated by the board of directors, or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept either in written form or any other form capable of being converted into written form. The minutes and accounting books and records shall be open to inspection upon the written demand of any shareholder or holder of a voting trust certificate, at any reasonable time during usual business hours, for a purpose reasonably related to the holder's interests as a shareholder or as the holder of a voting trust certificate. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts. These rights of inspection shall extend to the records of each subsidiary corporation of the corporation.

SECTION 4 INSPECTION BY DIRECTORS. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the corporation and each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

SECTION 5 ANNUAL REPORT TO SHAREHOLDERS. The board of directors shall cause an annual report to be sent to the shareholders not later than one hundred twenty (120) days after the close of the fiscal year adopted by the corporation. This report shall be sent at least fifteen (15) days before the annual meeting of shareholders to be held during the next fiscal year and in the manner specified in Section 5 of Article II of these Bylaws for giving notice to shareholders of the corporation. The annual report shall contain a balance sheet as of the end of the fiscal year and an income statement and statement of changes in financial position for the fiscal year, accompanied by any report of independent accountants or, if there is no such report, the certificate of an authorized officer of the corporation that the

statements were prepared without audit from the books and records of the corporation.

-13-

14

SECTION 6 FINANCIAL STATEMENTS. A copy of any annual financial statement and any income statement of the corporation for each quarterly period of each fiscal year, and any accompanying balance sheet of the corporation as of the end of each such period, that has been prepared by the corporation shall be kept on file in the principal executive office of the corporation for twelve (12) months and each such statement shall be exhibited at all reasonable times to any shareholder demanding an examination of any such statement or a copy shall be mailed to any such shareholder.

If a shareholder or shareholders holding at least five percent (5%) of the outstanding shares of any class of stock of the corporation makes a written request to the corporation for an income statement of the corporation for the three-month, six-month or nine-month period of the then current fiscal year ended more than thirty (30) days before the date of the request, and a balance sheet of the corporation as of the end of that period, the chief financial officer shall cause that statement to be prepared, if not already prepared, and shall deliver personally or mail that statement or statements to the person making the request within thirty (30) days after the receipt of the request. If the corporation has not sent to the shareholders its annual report for the last fiscal year, this report shall likewise be delivered or mailed to the shareholder or shareholders within thirty (30) days after the request.

The corporation shall also, on the written request of any shareholder, mail to the shareholder a copy of the last annual, semi-annual, or quarterly income statement which it has prepared, and a balance sheet as of the end of that period.

The quarterly income statement and balance sheets referred to in this section shall be accompanied by the report, if any, of any independent accountants engaged by the corporation or the certificate of an authorized officer of the corporation that the financial statements were prepared without audit from the books and records of the corporation.

SECTION 7 ANNUAL STATEMENT OF GENERAL INFORMATION. The corporation shall, during the period commencing on January 1 and ending on June 30 of each year, file with the Secretary of State of the State of California, on the prescribed form, a statement setting forth the authorized number of directors, the names and complete business or residence addresses of all incumbent directors, the names and complete business or residence addresses of the chief executive officer, secretary, and chief financial officer, the

street address of its principal executive office or principal business office in this state, and the general type of business constituting the principal business activity of the corporation, together with a designation of the agent of the corporation for the purpose of service of process, all in compliance with Section 1502 of the Corporations Code of California.

ARTICLE VIII

GENERAL CORPORATE MATTERS

SECTION 1 RECORD DATE FOR PURPOSES OTHER THAN NOTICE AND VOTING. For purposes of determining the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or entitled to exercise any rights in respect of any other lawful action (other than action by shareholders by written consent without a meeting), the board of directors may fix, in advance, a record date, which shall not be more than sixty (60) days before any such action, and in that case only shareholders of record on the date so fixed are entitled to receive the dividend, distribution or allotment of rights or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the record date so fixed, except as otherwise provided in the California General Corporation Law.

If the board of directors does not so fix a record date, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the board adopts the applicable resolution or the sixtieth (60th) day before the date of that action, whichever is later.

-14-

15

SECTION 2 CHECKS, DRAFTS, EVIDENCES OF INDEBTEDNESS. All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the board of directors.

SECTION 3 CORPORATE CONTRACTS AND INSTRUMENTS: HOW EXECUTED. The board of directors, except as otherwise provided in these Bylaws, may authorize an officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and this authority may be general or confined to specific instances; and, unless so authorized or ratified by the board of directors or within the agency power of an officer, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

SECTION 4 CERTIFICATES FOR SHARES. A certificate or certificates for shares of the capital stock of the corporation shall be issued to each shareholder when any of these shares are fully paid, and the board of directors may authorize the issuance of certificates or shares as partly paid provided that these certificates shall state the amount of the consideration to be paid for them and the amount paid. All certificates shall be signed in the name of the corporation by the chairman of the board or vice chairman of the board or the president or vice president and by the chief financial officer or the treasurer or any assistant treasurer or the secretary or any assistant secretary, certifying the number of shares and the class or series of shares owned by the shareholder. Any or all of the signatures on the certificate may be facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed on a certificate shall have ceased to be that officer, transfer agent, or registrar before that certificate is issued, it may be issued by the corporation with the same effect as if that person were an officer, transfer agent, or registrar at the date of issue.

SECTION 5 LOST CERTIFICATES. Except as provided in this Section 5, no new certificates for shares shall be issued to replace an old certificate unless the latter is surrendered to the corporation and canceled at the same time. The board of directors may, in case any share certificate or certificate for any other security is lost, stolen, or destroyed, authorize the issuance of a replacement certificate on such terms and conditions as the board may require, including provision for indemnification of the corporation secured by a bond or other adequate security sufficient to protect the corporation against any claim that may be made against it, including any expense or liability, on account of the alleged loss, theft, or destruction of the certificate or the issuance of the replacement certificate.

SECTION 6 REPRESENTATION OF SHARES OF OTHER CORPORATIONS. The chairman of the board, the president, or any vice president, or any other person authorized by resolution of the board of directors or by any of the foregoing designated officers, is authorized to vote on behalf of the corporation any and all shares of any other corporation or corporations, foreign or domestic, standing in the name of the corporation. The authority granted to these officers to vote or represent on behalf of the corporation any and all shares held by the corporation in any other corporation or corporations may be exercised by any of these officers in person or by any person authorized to do so by a proxy duly executed by these officers.

SECTION 7 CONSTRUCTION AND DEFINITIONS. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California General Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM (A) CONSOLIDATED FINANCIAL STATEMENTS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH (B) FORM 10-Q FOR SIX MONTHS ENDED JUNE 30, 1995

</LEGEND>

<MULTIPLIER>

1

<CURRENCY>

U.S. DOLLARS

<S>

<C>

<PERIOD-TYPE>

6-MOS

<FISCAL-YEAR-END>

DEC-30-1994

<PERIOD-START>

DEC-31-1994

<PERIOD-END>

JUN-30-1995

<EXCHANGE-RATE>

1

<CASH>

4,039,000

<SECURITIES>

1,435,000

<RECEIVABLES>

48,188,000

<ALLOWANCES>

1,599,000

<INVENTORY>

41,975,000

<CURRENT-ASSETS>

101,064,000

<PP&E>

91,652,000

<DEPRECIATION>

56,645,000

<TOTAL-ASSETS>

195,521,000

<CURRENT-LIABILITIES>

42,423,000

<BONDS>

55,431,000

<COMMON>

11,001,000

<PREFERRED-MANDATORY>

0

<PREFERRED>

0

<OTHER-SE>

96,316,000

<TOTAL-LIABILITY-AND-EQUITY>

195,521,000

<SALES>

133,737,000

<TOTAL-REVENUES>

133,737,000

<CGS>

91,187,000

<TOTAL-COSTS>

32,498,000

<OTHER-EXPENSES>

1,339,000

<LOSS-PROVISION>

685,000

<INTEREST-EXPENSE>

2,230,000

<INCOME-PRETAX>

8,713,000

<INCOME-TAX>

3,268,000

<INCOME-CONTINUING>

5,445,000

<DISCONTINUED>

0

<EXTRAORDINARY>

0

<CHANGES>

0

<NET-INCOME>

5,445,000

<EPS-PRIMARY>

0.47

<EPS-DILUTED>

0.47

</TABLE>