

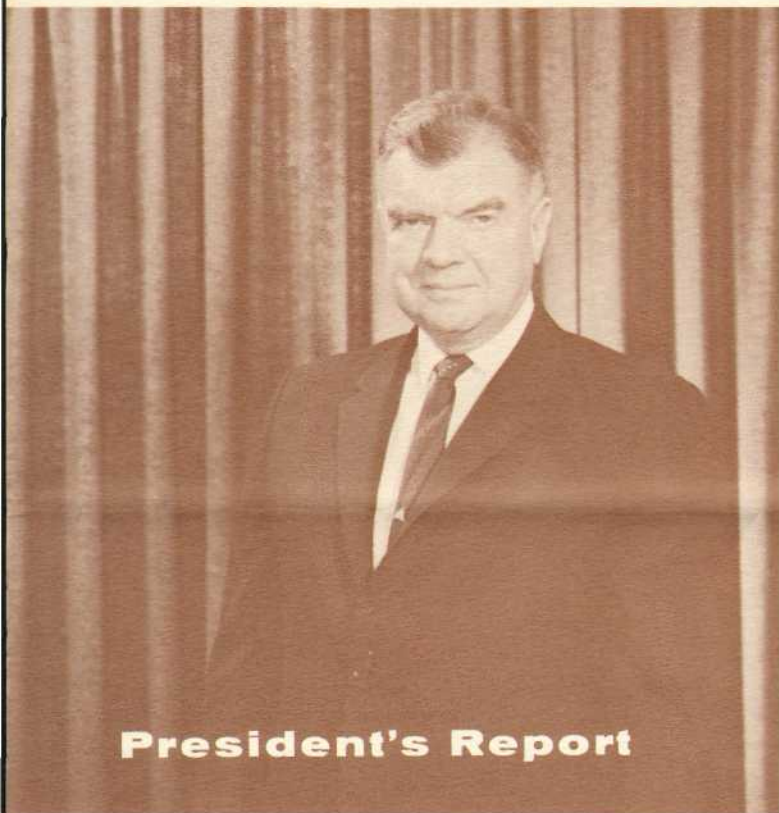
JOB ORDERRADIO CORP OF AMERICA
CAMDEN, NEW JERSEY**JOB ORDER**RAMO-WOOLRIDGE CORP.
CANOGA PARK, CALIFORNIA**JOB ORDER**CONTROL INSTRUMENT CORP.
BROOKLYN, NEW YORK**JOB ORDER**GENERAL ELECTRIC COMPANY
PITTSFIELD, MASSACHUSETTS**JOB ORDER**BURROUGHS CORP.
RADNOR, PA.**JOB ORDER**HUGHES AIRCRAFT CORP.
CULVER CITY, CALIFORNIA**JOB ORDER**BELL AIRCRAFT CORP.
BUFFALO, NEW YORK**JOB ORDER**ROYAL PRECISION CORP.
PORT CHESTER, NEW YORK**JOB ORDER**NORTRONICS DIVISION
NORTHROP AIRCRAFT CORP.**JOB ORDER**CUSTOMER OFFICE OF SCIENTIFIC RESEARCH
UNITED STATES NAVY**JOB ORDER**FRANKFORD ARSENAL, USA
JOHNSVILLE, PA.**JOB ORDER**ROYAL-MC BEE CORP.
PORT CHESTER, NEW YORK**JOB ORDER**GENERAL PRECISION LABORATORY
PLEASANTVILLE, NEW YORK**JOB ORDER**AUTONETICS, DIVISION OF
NORTH AMERICAN AVIATION, INC.**JOB ORDER**QUARTERMASTER CORPS, USA
WASHINGTON, D. C.**JOB ORDER**BUREAU OF ORDNANCE, USN
WASHINGTON, D. C.**JOB ORDER**BUREAU OF SHIPS, USN
WASHINGTON, D. C.**JOB ORDER**DOUGLAS AIRCRAFT CORP.
SANTA MONICA, CALIFORNIA**JOB ORDER**CUSTOMER LOCKHEED AIRCRAFT CORP.
BURBANK, CALIFORNIA**JOB ORDER**USAF-WADC
WRIGHT-PATTERSON AIR BASE**JOB ORDER**BUREAU OF AERONAUTICS, USN
WASHINGTON, D. C.**JOB ORDER**MINNEAPOLIS-HONEYWELL
MINNEAPOLIS, MINNESOTA**JOB ORDER**LABORATORY FOR ELECTRONICS
BOSTON, MASSACHUSETTS**JOB ORDER**CONVAIR DIV-GENERAL DYNAMICS CORP.
SAN DIEGO, CALIFORNIA**JOB ORDER**GOODYEAR AIRCRAFT CORP.
AKRON, OHIO**JOB ORDER**NORDEN DIV-UNITED AIRCRAFT CORP.
MILFORD, CONNECTICUT**JOB ORDER**ROYAL PRECISION CORP.
PORT CHESTER, NEW YORK**JOB ORDER**CUSTOMER THE MARTIN COMPANY
BALTIMORE, MARYLAND**JOB ORDER**KEARFOTT COMPANY
LITTLE FALLS, NEW JERSEY**JOB ORDER**BOEING AIRCRAFT CORP.
SEATTLE, WASHINGTON**JOB ORDER**ELECTRIC BOAT DIV-GENERAL DYNAMICS
GROTON, CONNECTICUT

1959

annual report to employees

LIBRASCOPE

LIBRASCOPE
DIVISIONGENERAL
PRECISION



President's Report

1959 was a year of dynamic growth for Librascope. We grew in every direction. Our volume of business in terms of sales almost doubled. The exact increase was 95 per cent. Our physical plant increased from 310,000 square feet in 17 buildings, to 560,000 square feet in 25 buildings. Our working force increased proportionately. Our actual employee count at year's end was 3,224 and, at this writing, is very close to 3,500.

Profit-wise, 1959 was a good year. Our gross profits and our operating profits were higher than ever before. Our *net* profit, however, was down fractionally; the rate was 5.13 per cent on sales, as opposed to 1958's 5.24 per cent. (All these figures are, of course, *before* taxes.) Higher sales expense, higher labor cost, higher manufacturing costs, higher prices on materials, plus greater interest payments on money borrowed to finance operations, accounted for this.

In plant size, in dollar volume, in numbers and scope of contracts, in variety of products, in number of employees, we changed from a small company, to a medium-size company. It was not an entirely painless process.

Explosive growth is not easy to handle, even

when it is expected and can be planned for. We did anticipate much of this growth and we did have plans ready, but we were not completely prepared for the actuality. As a consequence, we had to improvise here and there, reach out and grab space where we could find it, advance construction dates on planned buildings as much as a year.

Organizationally, there were many changes.

The most far-reaching, perhaps, was Librascope's becoming a part of a huge new GPE operating company, along with Link Aviation, Kearfott and General Precision Laboratories. Each is now a division of the new company, known as General Precision, Inc.

GPI will be in a stronger competitive position in a field that is rapidly becoming more competitive, than any of the companies were as individual organizations. We shall be able to bid now as prime contractor in large systems contracts, instead of being limited to sub-contracts. The beneficial results in terms of growth and earnings are obvious.

Here at Librascope, our internal organization changed, too. We split our individual structure and created several new branches, formed new departments within those branches and new sections within the departments.

Many new jobs were created — and people had to be found to fill them. It is a tribute to the basic strength of our organization and to the people who constitute that strength, that we found most of the people we needed to fill new, important positions within our own ranks. To be exact, 984 openings were filled by promoting employees who already were with us.

We also have many newcomers who, in terms of their performance, already are veterans. It has been our great good fortune through the years to attract and hold a great many people of high talent. Our new people are of the same calibre and without them we would not have achieved our goals.

Our achievements were many. Here are just a few:

We designed, built, checked-out and delivered the analog computer portions of the Polaris missile fire control system, plus associated devices for shore and testing use. The work was performed for General Electric and GE commended us highly for our performance.

We completed the entire FAA data processor

digital computer design, built the first units and shipped them to the Federal Aviation Agency, and currently are completing the remainder of the initial order. I believe that this is the first time that a computer of such size and complexity has gone from the concept to check-out stage in the short span of 15 months. We were well ahead of other suppliers on this program.

The Burbank branch produced a record 133 LGP-30 computers — and at new low prices. Production capability on this substantial item has now reached the stage where all operations are largely routine.

The Sunnyvale branch moved into new quarters which already have been expanded by the addition of a sizeable ordnance building. This became necessary because of the missile-industry acceptance of Sunnyvale's exploding bridge-wire system. Virtually every missile producer is now using, or planning to use, this highly reliable — and safe — method of detonating explosives.

In the field of new business . . . We received additional contracts for SUBROC development, for development of new analog fire control equipment, for additional POLARIS equipment. We also received a considerable number of development contracts for plotters, angle solvers and related shipboard equipment.

All indications are that Librascope will have the first digital computer to travel into outer space. Our ASN-24 airborne computer was chosen by Convair to provide the heart of the control system for the Air Force's CENTAUR space vehicle.

Using the ASN-24 as a base, we are designing a new lightweight computer for missile use, under contract to one of our country's partners in NATO. We also have received a substantial number of computer development contracts from the Air Force.

All of our departments, as a result of our many new contracts, carried heavy loads during 1959. An unexpected burden was that produced by the operational difficulties experienced by the ASROC computer.

However, the computer circuitry has been re-designed by a team composed of personnel from Librascope, Minneapolis-Honeywell and the Naval Ordnance Test Station. Extensive environmental tests indicate that the unit is now highly reliable and production deliveries begin the latter part of February.

In summary . . . 1959 was a year of rapidly increasing backlog, approximate doubling of our sales volume, considerable addition of new space and facilities — and design and scheduling programs typical of a rapid growth situation.

Looking ahead . . . We are forecasting another year in which we will again virtually double our sales volume, continue to add to our work force and, hopefully, make a more satisfactory profit.

We anticipate substantial production orders for additional ASW fire control equipment and follow-on orders for more airborne computers.

We are slated to receive several development contracts from the Air Force and there is a strong prospect of foreign sales on several major computer projects. All of this, of course, in addition to firm contracts we already hold for new work, as well as work-in-progress.

At Burbank, the prospects for 1960 are of like order. In our own proprietary lines we anticipate an almost 50 per cent increase in sales. Most of this will come from the electronics line, which includes the Libratrol-500 process control computer. We expect to sell a very substantial amount of standard products, as well.

Burbank's prospect of sales through Royal Precision are equally large, with a forecast almost double that of 1959. This year will see the introduction of the RPC 4010, the transistorized successor to the LGP-30. The RPC 4010, with various attachments, forms the RPC 4000 system, which also will be marketed this year.

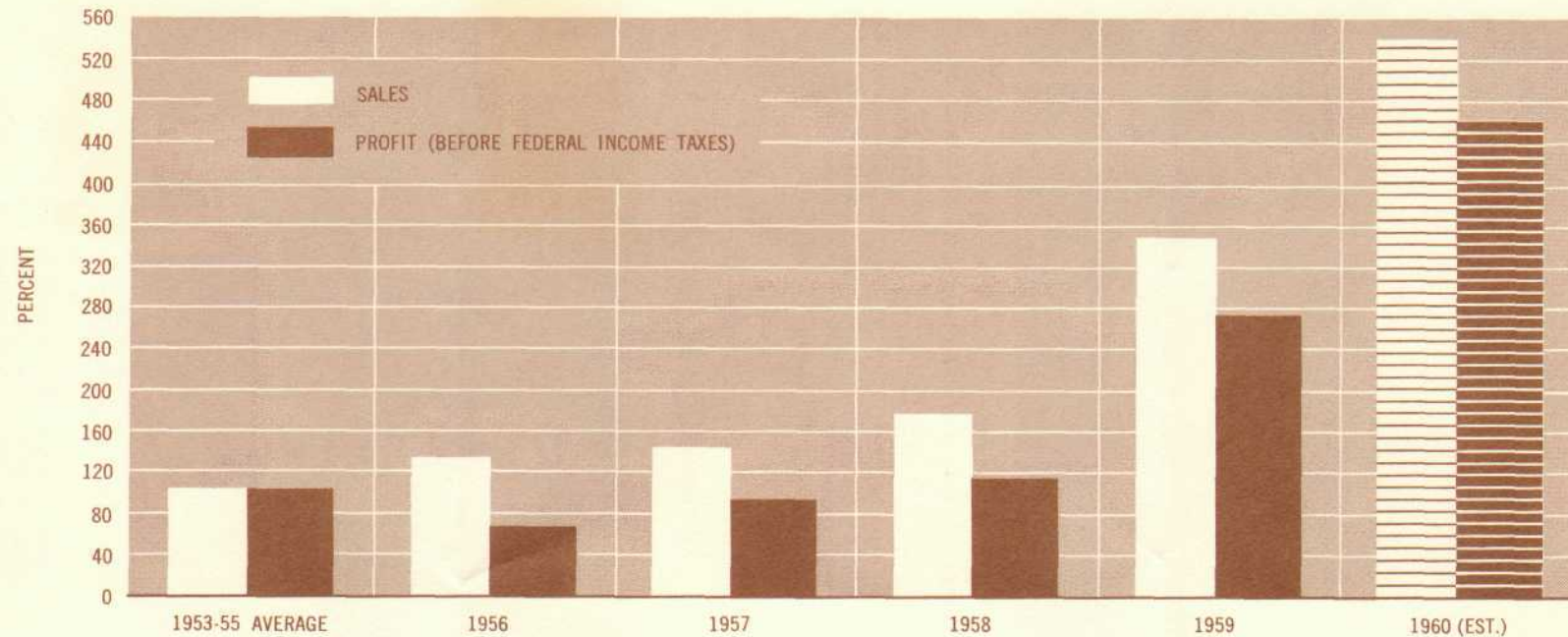
Yet another new Burbank product, built for Royal Precision, is the RPC 9000, a transistorized data processing system, also to be introduced in 1960. This system is so promising that we plan to put it to work in the Glendale plant, to simplify our production control and inventory control operations.

Add all of these elements together . . . and we face the biggest year in Librascope history. I don't believe it will be easy to achieve this huge potential, but I do believe we are going to do it. In 22 years we have never failed to better our record in building a better product. I'm sure that you share my belief there is every reason to believe that this record should continue in 1960.



L. W. Imm

comparative annual billings and profits

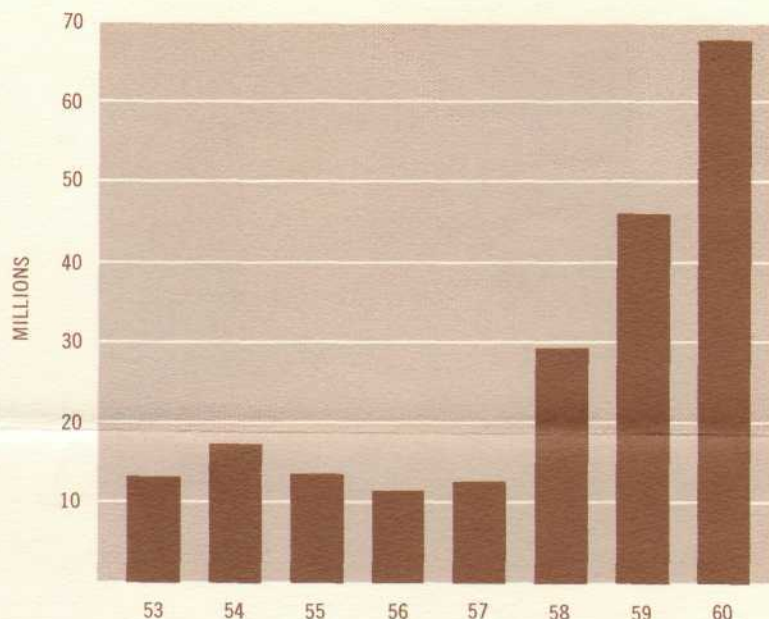


The all-important gap between sales and profits closed slightly in 1959. Increased sales should mean increased profits, but that ideal has not been attained at Librascope in recent years. This is because comparatively

short-runs provide little opportunity to recoup high engineering and tooling costs, and because our explosive growth has called for large capital expenditures. However, the 1960 projection shows the gap closing still further.

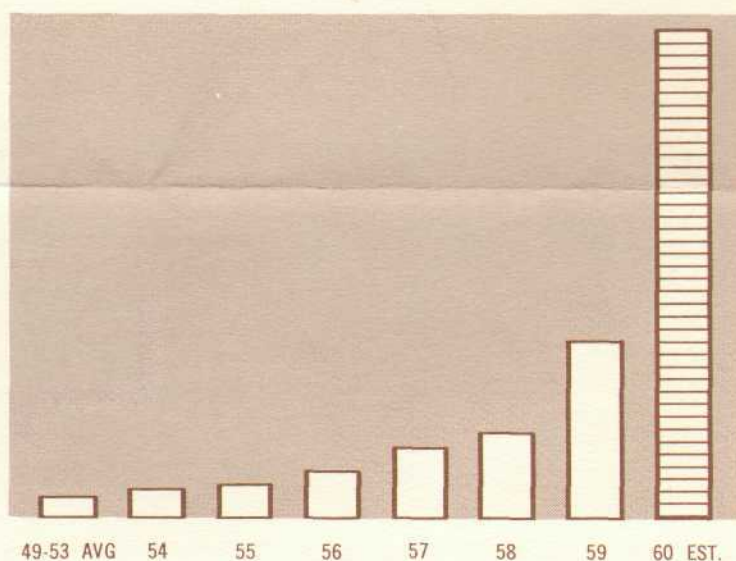
backlog

as of jan 1, 1960



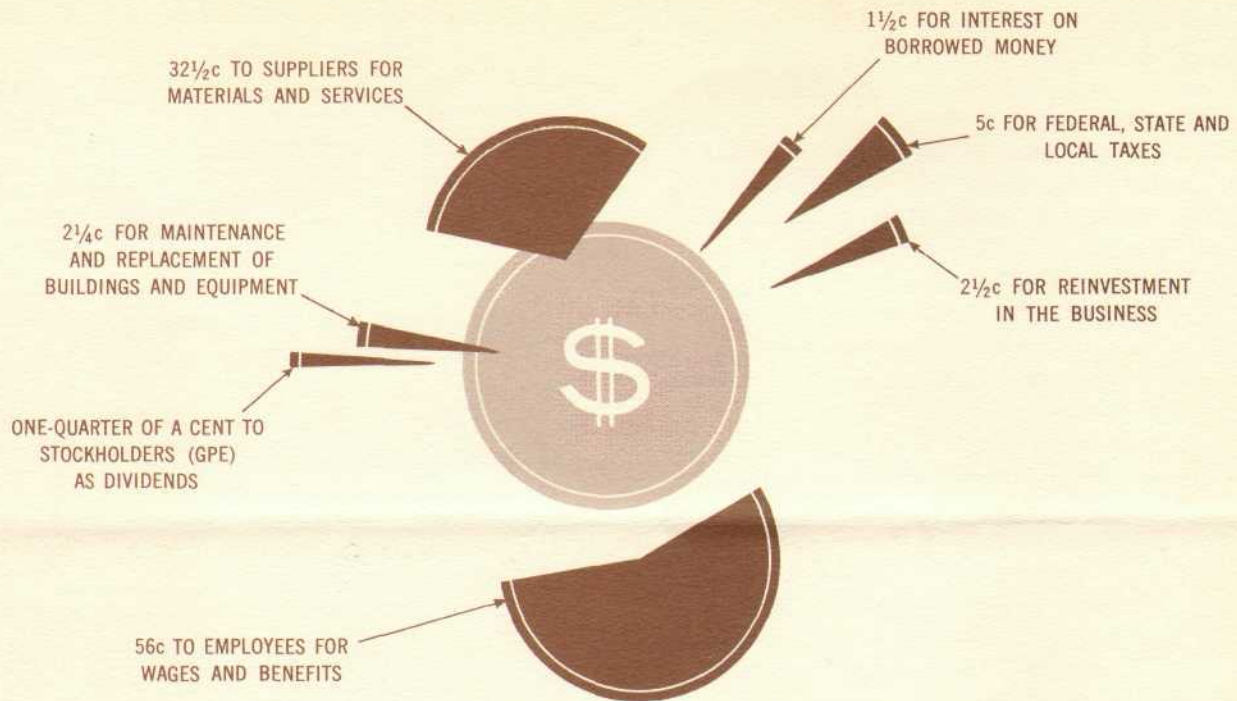
Librascope's backlog of business "on the books" attained a new high at year's end, as reflected in the above graph. It is virtually double what it was on Jan. 1, 1959. Much of the total originates in contracts for SUBROC, ASROC and POLARIS work, but substantial sums are involved in our work on the CENTAUR and FRAM programs, in various Air Force projects and in continued output of what have become virtually standard items.

burbank sales



Burbank will virtually double its sales volume in 1960. While a large percentage of these sales will result from production for Royal Precision, an almost equal amount will come from sales of Burbank's standard line of mechanical and electronic products, and the new Libratrol-500 process control computer.

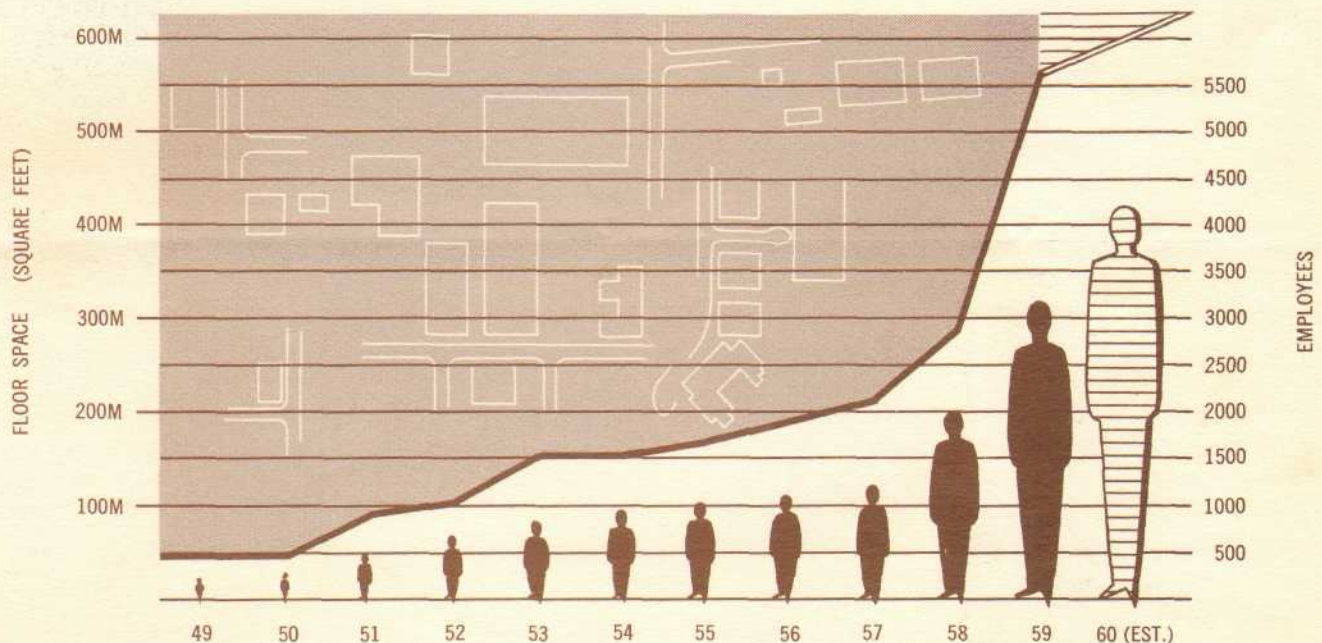
distribution of 1959 sales dollar



The heavily-sliced coin above, representing the Librascope sales dollar, show what happened to the money the Company received from its customers for our products and engineering services. Every category but two—

stockholders' earnings on investments and interest on borrowed money—represents an increase. The figure for employees wages and benefits, shows that labor costs jumped the most—56 cents in '60, as compared to 51 cents in '59.

librascope growth



Librascope added more people to its working force in 1959 than in any other year in its 22-year existence. Floor space increased proportionately. It is expected that approximately 1,000 more employees will be added

this year. Floor space expansion will not continue at the same rate, however, because Bldg. 17 is now available for use. The graph shows actual year-end figures in both manpower and floor-area categories.