

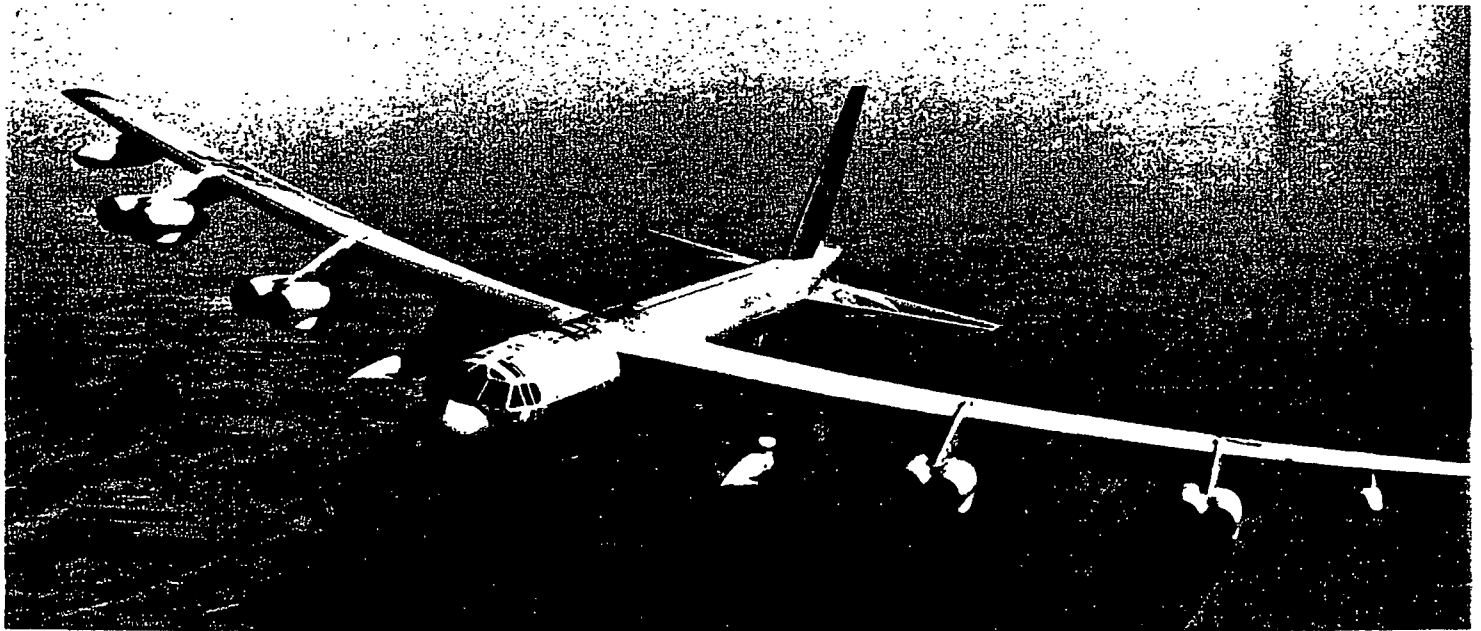
operations in 1960 Denison Engineering Division enjoyed a good year in 1960, with shipments and earnings bettering 1959 figures. Since its acquisition by Brake Shoe in 1955, Denison's sales have grown steadily and the Division's product line has broadened substantially. Notable increases in production efficiency were accomplished in 1960 by the expansion and modernization of the Delaware plant.

Kellogg Division's plant and headquarters were moved from Rochester, New York to Oxnard, California during 1960. The move was made to put the Division in the heart of the West Coast aerospace industry—its major customer—to make available to Kellogg the West Coast's reservoir of engineering and production skills in aircraft and missile products, and to effect cost reductions. Kellogg's Rochester plant was sold to a neighboring firm, and the plant at Oxnard was in full production within 90 days of the start of the move. The move, and cancellations of some defense orders early in the

year, had adverse effects on Division sales and earnings for 1960.

Operations of Raymond Atchley Division were at a higher level than in 1959, and an increase in orders was noted toward the end of 1960. This uptrend reflects increased acceptance of Atchley's products by major defense industry customers and increased defense expenditures by the federal government. The operations and key personnel of Hydrex, Inc. were integrated into Raymond Atchley Division during 1960, thus strengthening the electro-hydraulic systems capability of the Hydraulics and Electronics Group.

capital expenditures Purchase of the new Kellogg Division plant at Oxnard was a major capital expenditure in the Hydraulics and Electronics Group in 1960. In addition, a substantial expansion of Denison Engineering Division's Delaware, Ohio plant



B-57C heavy jet bomber carries Hound Dog missiles under wings. Plane and missiles use hydraulic system components made by Kellogg Division.

Modern Kellogg Division plant at Oxnard, California houses Division manufacturing, administrative and engineering functions.

