



NO. 283
 NAME James McLaughlin
 PAY ENDING 9/30
 DEDUCTIONS
 TOTAL 1-14

1					
2					
3	821	821	821	821	821
4					
5	822	821	823	821	821
6	826	829	827	827	827
7					
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11	852	850			
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HRS. 39 1/4 AMT. 74.51 TOTAL PAY 74.51
 TOTAL DEDUCTIONS 11.33 NET PAY 63.33

NO. 73
 NAME Andrew Simpson
 PAY ENDING 9/30
 DEDUCTIONS
 TOTAL \$ 11.33

1					
2	757	752	753	748	
3	825				
4					
5	8201	8203	8200	8203	8205
6	8224	8227	8225		8223
7			8242		
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11	8431	8434	8431	8432	8432
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HRS. 7 1/2 AMT. 74.51 TOTAL PAY 74.51
 TOTAL DEDUCTIONS 11.33 NET PAY 63.33

ANNUAL REPORT AS OF FEBRUARY 28, 1967

COVER PHOTOGRAPH: The broad range of MITE interests is illustrated by the cover photograph. Printed page copy and punched and printed tape from the AN/TGC-29(V) teletypewriter set are shown along with printed tape from the model 118A sub-miniaturized tape printer, as well as Stromberg time cards and Greist made buttonholes.

Officers, Directors, General Information

Officers

M. H. BLINKEN, *Chairman of the Board and Treasurer*
ROBERT J. BLINKEN, *President*
RALPH HIRSCH, *Vice President*
WILLIAM RYAN, *Vice President*
E. BREWSTER CRAWFORD, *Secretary*
BERNARD HOWARD, *Vice President-Research and Development*
STEWART HAMPTON, *Vice President-Public and Industrial Relations and
Ass't Secretary*
MARCEL J. LAMY, *Controller*
STEPHEN J. AHEARN, *Ass't Treasurer*
LOUIS CETRAN, *Ass't Vice President-Operations*

Directors

M. H. BLINKEN, *Chairman of the Board and Treasurer*
ROBERT J. BLINKEN, *President*
E. BREWSTER CRAWFORD, *Secretary*
ROY W. HANNA, *Educator*
MELVIN C. STEEN, *Partner, Cleary, Gottlieb, Steen & Hamilton*
DONALD M. BLINKEN, *Vice President, E. M. Warburg & Co., Inc.*

General Counsel

Cleary, Gottlieb, Steen & Hamilton, New York

Washington Counsel

Ross, Matzkin & Day

Transfer Agent

The Union & New Haven Trust Company, New Haven, Connecticut

Executive Offices:

446 Blake St., New Haven, Conn. 06515

Message to Shareowners

Operating results for the fiscal year ended February 28, 1967 show substantial improvement over the previous year. Sales were approximately \$9,700,000, an increase of almost 60% over the previous year's \$6,100,000. Earnings for the past year were \$770,000, an increase of almost 150% over the previous year's \$310,000.

Your Company's general financial condition continued to improve. This factor was particularly important during the past year when interest rates were high. We were able to earn interest income from certificates of deposit and to earn additional income by taking full advantage of trade discounts. Our net working capital has more than doubled during the last five years.

Sales of non-military products reached a level of more than 50%. This trend, as well as the increases in sales and earnings, is attributable in large part to the acquisition of the Stromberg time stamp and recorder business on April 1, 1966. The figures for the fiscal year reflect eleven months' operation of that business. Subsequently, in June of 1966, the Stromberg Canadian operation was acquired and, as Stromberg Time of Canada Limited, has been incorporated into our consolidated figures.

During the past year, a number of proposed acquisitions were investigated in our continued effort to reduce our dependence on military business, and in order to take further advantage of the excellent marketing organization acquired with the time stamp and recorder business. In January 1967, we announced the acquisition from General Time of the clock and program systems business. This product line complements the time stamp and recorder business. However, the operating results for the past year were not materially affected by this most recent acquisition, because it took place late in our fiscal year. Our interest in additional acquisitions continues to be very great, and we endeavor to find situations which will make further significant contributions to our overall corporate operations.

Last year's report and the previous six months' report issued August 31, 1965 made reference to litigation between your Company and Sperry Rand Corporation. I am pleased to advise you that this matter has been disposed of. During the fiscal year ended February 28, 1967, Sperry Rand's suit against us and our countersuit against them were both withdrawn and a settlement payment was made by Sperry Rand to us.

Employment at our plant has increased by almost 60% during the past year. Achieving this result in the face of a very severe shortage of skilled labor in Connecticut, without compromising the high standards we have always maintained in the hiring of personnel, is a tribute to the reputation your Company continues to enjoy as a good place to work.

The great increase in manufacturing activity that has taken place during the past year has placed a large burden on our plant facilities. We have been successful to date, however, in absorbing this increased workload into our existing facilities with the addition of only 9600 square feet of manufacturing space, which was completed last Summer. During the course of the current fiscal year, we will undertake significant plant re-arrangement and a major industrial engineering program designed to permit the most efficient utilization of our facilities in view of the changes in our product mix. It is not anticipated that the benefits of this program will be fully realized until the end of the current fiscal year.

I should like to take this opportunity once again to express appreciation to all of our loyal and capable employees whose efforts contributed so greatly to the results of the past year's operations.

Robert J. Blinken,
President

May 5, 1967



Robert J. Blinken

Mite Corporation Products

MITE data communications equipment, engineered primarily for military use, constitutes an important part of your Company's line of products. The design of this equipment emphasizes miniaturization and the capability of withstanding severe military environments. This equipment must operate under the most adverse combinations of temperature, humidity, shock, vibration, dust and altitude. In recent years, emphasis has also been placed on minimizing the emission of radio frequency signals which can interfere with the operation of adjacent electronic equipment.

Illustrated below is our newest major piece of equipment, the automatic send-receive teletypewriter set, AN/TGC-29(V), an exclusive development of MITE Corporation. This advanced product is being tooled-up for manufacture at this time. Initial tooled production under both U.S. Marine Corps and Royal Canadian Air Force contracts will run through the current fiscal year and the subsequent one. The AN/TGC-29(V) is an outgrowth of the basic MITE teleprinter, which has accounted for a major portion of our business in recent years. Thousands of these teleprinters are in service with various branches of the military at this time, and their production continues in our plant. The AN/TGC-29(V) offers the present users of the basic MITE unit substantially greater message receiving and transmitting facility, yet retains the exceptional portability characteristics which have accounted in large measure for the demand for MITE teleprinters.

The AN/TGC-29(V) set combines a teleprinter and keyboard, a tape punch which also prints on



AN/TGC-29(V) Teletypewriter Set



Stromberg Time Stamps and Recorders

the tape, and a punched tape reader. In addition, the unit contains a sophisticated electronic package which supplies signal power at various levels to the individual components and permits the operator to interconnect the various elements contained in the set with one another, and with remote units in a variety of combinations.

The entire set is housed in an immersion-proof case with built-in folding legs which support the unit, and which permit the cover of the case to be used as a seat for the operator.

Illustrated on page 8 is the MITE Model 118A sub-miniaturized tape printer. This unit has been manufactured and sold in relatively small quantities to date. A number of the purchasers of these first units are using them to evaluate applications in commercial systems which offer the potential for future utilization of these equipments on a much larger scale.

The Stromberg brand name represents the world-wide standard of quality in time recording devices. Illustrated above is the basic range of Stromberg time recorders, including time stamps, attendance recorders, and job cost recorders. In addition to these familiar devices, and the associated time cards and card racks, our Stromberg product line includes a variety of clocks and programming instruments.

Our Autaset master clock is used to control sec-

ondary clocks and time recorders from a central time source. The Autaset system ensures uniform time throughout an installation providing automatic correction of any of the remote time instruments which may, for example, be accidentally disconnected for a period of time from their source of electrical power. In addition, Autaset provides a continuity of time recording in the event of power failure affecting an entire building or area. In such an event, the entire system will automatically switch over to a battery power supply which will permit the maintenance of accurate time and full operation of remote units for a period of several days. When power is restored to the building or area, the system will automatically revert to normal operation.

Our research and development facilities are being turned increasingly toward the development of new and improved time equipment and systems. The integration of time equipment into data collection and processing systems is one of the significant trends in the industry. We are confident that our extensive engineering background in sophisticated data communications systems will be of great help to us in this long range program.

The cover photograph illustrates typical Stromberg time cards accurately imprinted by our time recorders. The cards themselves are printed in our

Mite Corporation Products



Model 118A Tape Printer

plant and furnished either as stock items, or on special order, to a great number of Stromberg equipment users who seek the best quality time cards to use with the world's finest time recorders. Stromberg products are distributed throughout the United States, Canada and Mexico, as well as in a number of European countries, by approximately 200 independent dealers, in addition to approximately 20 company owned sales offices. This fine distribution organization offers our Stromberg customers excellent maintenance service to back up our sales activities.

The development and production of Greist sewing aids continues to constitute a significant aspect of our corporate activities. Despite the substantial foreign inroads into the American sewing machine industry since World War II, Greist remains the best known name in the world for sophisticated sewing machine attachments. Our distribution of these proprietary products is done not only under our own brand name—Greist Products—but also under famous names such as Singer and Sears. The cover photo shows a perfect series of buttonholes sewn virtually automatically by the Greist buttonholer, a product which has improved the standard of sewing in more than ten million homes around the world.

Contract manufacturing activities have been limited somewhat during the past year by the demands placed on our manufacturing facilities by our own proprietary products. Nevertheless, we continue to serve a number of America's leading companies who look to MITE as a prime source of supply for timely delivery of quality products and components. These include special tools used by Western Electric and precise parts and assemblies for Xerox and Colt Industries.

ASSETS

1967

1966

**Consolidated
Balance sheet****Mite Corporation
and Subsidiary**AS OF FEBRUARY 28, 1967
AND FEBRUARY 28, 1966**CURRENT ASSETS**

Cash	\$ 359,680	\$ 442,079
Accounts receivable, net of allowances	1,781,962	1,865,862
Unbilled costs	— — —	242,859
Inventories, generally at the lower of first- in first-out cost or market net of prog- ress payments \$1,556,575 in 1967	4,086,658	2,785,760
Total current assets	<u>\$6,228,300</u>	<u>\$5,336,560</u>
 PRODUCT DEVELOPMENT COSTS (Note 2)	 811,529	 785,712
 PROPERTY, PLANT AND EQUIPMENT, at cost less allowance for depreciation and amorti- zation of \$4,367,646 (1966, \$3,989,590) (Notes 3 and 6)	 2,570,753	 2,072,208
 PREPAID EXPENSES and DEFERRED CHARGES	 346,266	 67,615
	<u>\$9,956,848</u>	<u>\$8,262,095</u>

LIABILITIES & STOCKHOLDERS' EQUITY**CURRENT LIABILITIES**

Accounts payable	\$ 578,340	\$ 218,652
Current maturities of long-term liabilities	171,250	— — —
Accrued taxes and other expenses	462,246	344,325
Total current liabilities	<u>\$1,211,836</u>	<u>\$ 562,977</u>
 LONG-TERM LIABILITIES (Note 7)	 275,750	 — — —
 CAPITAL STOCK, authorized 2,500,000 shares: outstanding shares stated at par value of \$1 each (Note 4)	 2,139,521	 2,139,521
 PAID-IN CAPITAL	 5,354,223	 5,354,223
 RETAINED EARNINGS as annexed	 975,518	 205,374
Total stockholders' equity	<u>8,469,262</u>	<u>7,699,118</u>
	<u>\$9,956,848</u>	<u>\$8,262,095</u>

See notes to financial statements

Consolidated Statement of Income and Retained Earnings

Mite Corporation and Subsidiary

FOR THE FISCAL YEARS ENDED
FEBRUARY 28, 1967 and 1966

	1967	1966
Net sales	\$9,718,034	\$6,110,117
Cost of sales	6,723,899	4,961,062
Gross profit	2,994,135	1,149,055
Selling, general and administrative expenses	2,244,431	841,569
	749,704	307,486
Other income	20,440	2,638
Net income (Note 5)	\$ 770,144	\$ 310,124
Retained earnings beginning of fiscal year	\$ 205,374	\$ (104,750)
Retained earnings end of fiscal year	\$ 975,518	\$ 205,374

See notes to financial statements

To The Board of Directors and Stockholders,

MITE CORPORATION

We have examined the consolidated balance sheet of MITE Corporation and its subsidiary as of February 28, 1967 and the related consolidated statement of income and retained earnings for the fiscal year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We were unable to obtain direct confirmation of accounts receivable from U.S. government agencies as to which we satisfied ourselves by means of other auditing procedures. We previously examined and reported upon the financial statements of the Company for the fiscal year ended February 28, 1966.

In our opinion, subject to receipt of contracts which will permit recovery of product development costs (Note 2) the accompanying financial statements present fairly the financial position of MITE Corporation and its subsidiary as of February 28, 1967 and 1966 and the consolidated results of its operations for the fiscal years then ended in conformity with generally accepted accounting principles applied on a consistent basis.

LYBRAND, ROSS BROS. & MONTGOMERY

Hartford, Connecticut, April 21, 1967

Notes to Financial Statements

1. The financial statements reflect the operation of a wholly owned Canadian subsidiary from date of acquisition, June 17, 1966.

2. It is the practice of the Company to carry forward product development costs of those products which have passed the prototype stage, and for which initial production orders are being solicited. Management of the Company expects that production orders or direct repayments will provide reimbursement for the product development costs presently being carried forward.

3. At February 28, 1967, property, plant and equipment consisted of:

Land	\$ 61,290
Land improvements	82,446
Building	1,644,720
Machinery and equipment	2,861,600
Tools	2,288,343
	<u>\$6,938,399</u>

4. At February 28, 1967, 81,000 shares of capital stock were reserved for issuance under the Company's stock option plan, approved by the stockholders at the 1965 annual meeting. Options were granted during fiscal year 1966 for 23,500 shares at \$3.75 and during fiscal year 1967 for 15,500 shares at \$4.94. Options outstanding are exercisable, in part, after eighteen months from date of grant and periodically thereafter until 1972, their expiration date. Options for 5,875 shares are exercisable during the ensuing year.

5. No provision for federal income taxes was necessary in 1967 and 1966 because of the availability of prior years' net operating loss carry-overs. In addition, subject to examination by the Internal Revenue Service, at February 28, 1967 there remained available to the Company for federal income tax purposes a net operating loss carry-over aggregating \$50,000 which will expire in the fiscal year ending February 28, 1969.

6. Depreciation and amortization of property, plant and equipment during the fiscal years ended February 28, 1967 and 1966 amounted to \$403,751 and \$368,867 respectively.

7. Long-term liabilities represent amounts due pursuant to contractual agreements related to acquisition of the time recorder business.
