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

FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2000

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 No. 1-8174

DUCOMMUN INCORPORATED
(Exact name of registrant as specified in its charter)

Delaware	95-0693330
State or other jurisdiction of incorporation or organization	(I.R.S. Employer Identification No.)

111 West Ocean Boulevard, Suite 900, Long Beach, California	90802-7901
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (562) 624-0800

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of the voting stock held by nonaffiliates of the registrant was approximately $92,000,000 as of January 31, 2001.

The number of shares of common stock outstanding on January 31, 2001 was 9,604,457.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference:

(a) Annual Report to Shareholders (the "2000 Annual Report") for the year ended December 31, 2000, incorporated partially in Part I and Part II hereof (see Exhibit 13), and

(b) Proxy Statement for the 2001 Annual Meeting of Shareholders (the "2001 Proxy Statement"), incorporated partially in Part III hereof.

FORWARD-LOOKING STATEMENTS AND RISK FACTORS

Certain statements in the Form 10-K and documents incorporated by reference contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Any such forward-looking statements involve risks and uncertainties. The Company's future financial results could differ materially from those anticipated due to the Company's dependence on conditions in the airline industry, the level of new commercial aircraft orders, the production rates for Boeing commercial aircraft, the C-17 and the Space Shuttle programs, the level of defense spending, competitive pricing pressures, technology and product development risks and uncertainties, product performance, risks associated with acquisitions and dispositions of businesses by the Company, increasing consolidation of customers and suppliers in the aerospace industry, availability of raw materials and components from suppliers, the outcome of the lawsuit by Com Dev Consulting Ltd. against the Company, and other factors beyond the Company's control.

PART I

ITEM 1. BUSINESS

During 2000, Ducommun Incorporated ("Ducommun"), through its subsidiaries (collectively, the "Company"), manufactured components and assemblies principally for domestic and foreign commercial and military aircraft and space programs. Domestic commercial aircraft programs include the Boeing 717, 737NG, 747, 757, 767 and 777. Foreign commercial aircraft programs include the Airbus Industrie A330, A340 and A340-600 aircraft, Bombardier Business and Regional Jets, and Dash 8. Major military aircraft programs include the Boeing C-17 and F-18, Lockheed Martin F-16, various Sikorsky, Bell, Boeing and Augusta helicopter programs, and advanced development programs. The Company is a subcontractor to Lockheed Martin on the Space Shuttle external tank and a supplier of components for the Space Shuttle, as well as for the International Space Station.

In November 1999, Ducommun, through a wholly-owned subsidiary, acquired the assets and assumed certain liabilities of Parsons Precision Products, Inc. ("Parsons"). In April 1999, Ducommun acquired the capital stock of Sheet Metal Specialties Company ("SMS"). In August 1998, Ducommun sold the capital stock of 3dbm, Inc. ("3dbm"). In June 1998, Ducommun Technologies, Inc., a subsidiary of Ducommun, acquired the capital stock of American Electronics, Inc. ("AEI").

AEROSTRUCTURAL PRODUCTS

Aerochem, Inc.

Ducommun's subsidiary, Aerochem, Inc. ("Aerochem"), is a major supplier of close tolerance chemical milling services for the aerospace and aircraft industries. Chemical milling removes material in specific patterns to reduce weight in areas where full material thickness is not required. This sophisticated etching process enables Aerochem to produce lightweight, high-strength designs that would be impractical to produce by conventional means. Jet engine components, wing leading edges and fuselage skins are examples of products that require chemical milling.

Aerochem offers production-scale chemical milling on aluminum, titanium, steel, nickel-base and super alloys. Aerochem also specializes in very large and complex parts up to 50 feet long. Management believes that Aerochem is the largest independent supplier of chemical milling services in the United States. Many of the parts chemically milled by Aerochem are formed and machined by AHF-Ducommun Incorporated.

AHF-Ducommun Incorporated

AHF-Ducommun Incorporated ("AHF"), another Ducommun subsidiary, supplies aircraft and aerospace prime contractors with engineering, manufacturing and testing of complex components using stretch forming and thermal forming processes and computer- controlled machining. Stretch forming is a process for manufacturing large, complex structural shapes primarily from aluminum sheet metal extrusions. AHF has some of the largest and most sophisticated stretch forming presses in the United States. Thermal forming is a metal working process conducted at high temperature for manufacturing close tolerance titanium components. AHF designs and manufactures the tooling required for the production of parts in both forming processes. Certain components manufactured by AHF are machined with precision milling equipment designed and constructed by AHF. AHF also employs computer-aided design/manufacturing systems with three 5-axis gantry profile milling machines and five 5-axis numerically-controlled routers to provide computer-controlled machining and inspection of complex parts up to 100 feet long.

AHF has an integrated operation offering a broad range of capabilities. From the design specifications of a customer, AHF is able to engineer, manufacture, test and deliver the desired finished components. This process depends on the skillful execution of several complex subtasks, including the design and construction of special equipment. Management believes that the ability of AHF to provide a full range of integrated capabilities represents a competitive advantage.

Parsons Precision Products, Inc.

In November 1999, Ducommun, through a wholly-owned subsidiary, acquired the assets and assumed certain liabilities of Parsons. Parsons is a leading manufacturer of complex titanium hot-formed subassemblies and components for commercial and military aerospace applications.

SEATING PRODUCTS

Brice Manufacturing Company, Inc.

Brice Manufacturing Company, Inc. ("Brice"), a subsidiary of Ducommun, is an after-market supplier of aircraft seating products to many of the world's largest commercial airlines. Products supplied by Brice include plastic and metal seat parts, overhauled and refurbished seats, components for installation of in-flight entertainment equipment, and other cabin interior components for commercial aircraft.

In 1998, Brice introduced an original equipment manufacture ("OEM") 16G coach-class aircraft seat. This new aircraft seat represents Brice's first major OEM product.

ELECTROMECHANICAL PRODUCTS

Ducommun Technologies, Inc. (formerly Jay-El Products, Inc.)

Ducommun Technologies, Inc. ("DTI"), a subsidiary of Ducommun, develops, designs and manufactures illuminated switches, switch assemblies and keyboard panels used in many military aircraft, helicopter, commercial aircraft and spacecraft programs, as well as ground support equipment and naval vessels. DTI manufactures switches and panels where high reliability is a prerequisite. Keyboard panels are lighted, feature push button switches, and are available with sunlight readable displays. Some of the keyboard panels and illuminated switches manufactured by DTI for military applications are night vision goggle-compatible.

DTI also develops, designs and manufactures microwave switches, filters and other components used principally on commercial and military aircraft and telecommunications satellites. DTI has developed several new products that apply its existing microwave technology to nonaerospace markets, including the wireless telecommunications industry.

In June 1998, DTI acquired the capital stock of AEI. AEI is a leading manufacturer of high precision actuators, stepper motors, fractional horsepower motors and resolvers principally for commercial and military space applications.

MechTronics of Arizona Corp.

MechTronics is a leading manufacturer of mechanical and electromechanical enclosure products for the defense electronics and commercial aviation markets. MechTronics has a fully integrated manufacturing capability, including engineering, fabrication, machining, assembly, electronic integration and related processes. MechTronics' products include sophisticated radar enclosures, gyroscopes and indicators, aircraft avionics racks and shipboard communications and control enclosures.

In April 1999, Ducommun acquired the capital stock of SMS. SMS is a manufacturer of subassemblies for commercial and military aerospace applications. SMS remained at its existing Chatsworth, California facility and reports through MechTronics of Arizona Corp.

OTHER BUSINESS

3dbm, Inc.

In August 1998, Ducommun sold the capital stock of its wireless communications subsidiary, 3dbm, Inc. ("3dbm"). The Company sold 3dbm because the level of investment required to ensure the long-term viability of 3dbm in the wireless system infrastructure business was more than the Company was willing to commit.

DEFENSE AND SPACE PROGRAMS

A major portion of sales is derived from United States government defense programs and space programs. Approximately 38 percent of 2000 sales were related to defense programs and approximately 9 percent of 2000 sales were related to space programs. These programs could be adversely affected by reductions in defense spending and other government budgetary pressures which would result in reductions, delays or stretch-outs of existing and future programs. In addition, many of the Company's contracts covering defense and space programs are subject to termination at the convenience of the customer (as well as for default). In the event of termination for convenience, the customer generally is required to pay the costs incurred by the Company and certain other fees through the date of termination.

COMMERCIAL PROGRAMS

Approximately 53 percent of 2000 sales were related to commercial aircraft programs, and nonaerospace commercial applications. The Company's commercial sales depend substantially on aircraft manufacturer's production rates, which in turn depend upon deliveries of new aircraft. Deliveries of new aircraft by aircraft manufacturers are dependent on the financial capacity of the airlines and leasing companies to purchase the aircraft. Sales of commercial aircraft could be affected as a result of changes in new aircraft orders, or the cancellation or deferral by airlines of purchases of ordered aircraft. The Company's sales for commercial aircraft programs also could be affected by changes in its customers' inventory levels and changes in its customers' aircraft production build rates.

MAJOR CUSTOMERS

The Company had substantial sales to Boeing, Lockheed Martin and Raytheon. During 2000, sales to Boeing were $61,109,000, or 37% of total sales; sales to Lockheed Martin were $12,685,000, or 8% of total sales; and sales to Raytheon were $14,242,000, or 9% of total sales. Sales to Boeing, Lockheed Martin and Raytheon are diversified over a number of different commercial, military and space programs.

COMPETITION

The Company competes with various companies, some of which are substantially larger and have greater financial, technical and personnel resources. The Company's ability to compete depends on the quality of goods and services, competitive pricing and the ability to solve specific customer problems.

BACKLOG

At December 31, 2000, backlog believed to be firm was approximately $238,600,000, compared to $213,100,000 at December 31, 1999. Approximately $103,100,000 of total backlog is expected to be delivered during 2001.

ENVIRONMENTAL MATTERS AND LEGAL

Aerochem uses various acid and alkaline solutions in the chemical milling process, resulting in potential environmental hazards. Despite existing waste recovery systems and continuing capital expenditures for waste reduction and management, at least for the immediate future, Aerochem will remain dependent on the availability and cost of remote hazardous waste disposal sites or other alternative methods of disposal.

The Aerochem facility located in El Mirage, California has been directed by California environmental agencies to investigate and take corrective action for groundwater contamination. Based upon currently available information, the Company has established a provision for the cost of such investigation and corrective action. Aerochem expects to spend approximately $1 million for future investigation and corrective action for groundwater contamination at its El Mirage location. However, the Company's ultimate liability in connection with the contamination will depend upon a number of factors, including changes in existing laws and regulations, and the design and cost of the construction, operation and maintenance of the corrective action.

Ducommun's other subsidiaries are also subject to environmental laws and regulations. However, the quantities of hazardous materials handled, hazardous wastes generated and air emissions released by these subsidiaries are relatively small.

The Company anticipates that capital expenditures will continue to be required for the foreseeable future to upgrade and maintain its environmental compliance efforts. The Company does not expect to spend a material amount on capital expenditures for environmental compliance during 2001.

In the normal course of business, Ducommun and its subsidiaries are defendants in certain other litigation, claims and inquiries, including matters relating to environmental laws. In addition, the Company makes various commitments and incurs contingent liabilities. While it is not feasible to predict the outcome of these matters, the Company does not presently expect that any sum it may be required to pay in connection with these matters would have a material adverse effect on its consolidated financial position or results of operations.

EMPLOYEES

At December 31, 2000, the Company employed 1,134 persons.

BUSINESS SEGMENT INFORMATION

The Company operates principally in only one business segment.

INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS AND EXPORT SALES

In 2000, 1999 and 1998, foreign sales to manufacturers worldwide were $26,267,000, $28,313,000 and $29,007,000, respectively.

The amounts of revenue, profitability and identifiable assets attributable to foreign operations are not material when compared with the revenue, profitability and identifiable assets attributed to United States domestic operations during 2000, 1999 and 1998. The Company had no sales to a foreign country greater than 5% of total sales in 2000, 1999 and 1998.

The Company is not subject to any foreign currency risks since all sales are made in United States dollars.

ITEM 2. PROPERTIES

The Company occupies approximately 21 facilities with a total office and manufacturing area of over 1,241,000 square feet, including both owned and leased properties. At December 31, 2000, facilities which were in excess of 60,000 square feet each were occupied as follows:

Location	Company	Square Feet	Expiration of Lease
El Mirage, California	Aerochem	74,300	Owned
Orange, California	Aerochem	76,200	Owned
Carson, California	AHF-Ducommun	65,000	2004
Carson, California	AHF-Ducommun	69,000	Owned
Carson, California	AHF-Ducommun	283,000	Owned
Carson, California	Ducommun Technologies	118,000	2002
Phoenix, Arizona	MechTronics	100,000	2006
Parsons, Kansas	Parsons Precision Products	120,000	Owned

The Company's facilities are, for the most part, fully utilized, although excess capacity exists from time to time based on product mix and demand. Management believes that these properties are in good condition and suitable for their present use.

Although the Company maintains standard property casualty insurance covering its properties, the Company does not carry any earthquake insurance because of the cost of such insurance. Most of the Company's properties are located in Southern California, an area subject to frequent and sometimes severe earthquake activity.

ITEM 3. LEGAL PROCEEDINGS

In October 1999, Com Dev Consulting Ltd. ("Com Dev") filed a complaint in the United States District Court against the Company and certain of its officers relating to the sale of the capital stock of 3dbm, Inc. ("3dbm") by the Company to Com Dev in August 1998. On February 3, 2000, the United States District Court dismissed the complaint without prejudice. On April 7, 2000, Com Dev filed another complaint in California Superior Court against the Company and certain of its officers relating to the sale of the capital stock of 3dbm by the Company to Com Dev. The complaint seeks recovery of damages in excess of $10,000,000, restitution of the $17,250,000 purchase price paid for 3dbm, and recovery of punitive damages, costs and attorneys' fees. A jury trial of the lawsuit is currently scheduled to begin on April 23, 2001. The Company intends to vigorously defend the matter. While it is not feasible to predict the outcome of this matter, the Company presently believes that the final resolution of the matter will not have a material adverse effect on its consolidated financial position or results of operations. However, because of the nature and inherent uncertainties of litigation, should the outcome of this matter be unfavorable, the Company may be required to pay damages and other expenses, which could have a material adverse effect on its consolidated financial position and results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The information under the caption "Quarterly Common Stock Price Information" on page 12 of the 2000 Annual Report is incorporated herein by reference. No dividends were paid during 1999 or 2000 (see Exhibit 13).

ITEM 6. SELECTED FINANCIAL DATA

The information under the caption "Selected Financial Data" appearing on page 12 of the 2000 Annual Report is incorporated herein by reference (see Exhibit 13).

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing on pages 13 through 16 of the 2000 Annual Report is incorporated herein by reference (see Exhibit 13).

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and supplementary data under the captions "Consolidated Statements of Income," "Consolidated Balance Sheets," "Consolidated Statements of Cash Flows," "Consolidated Statements of Changes in Shareholders' Equity," and "Notes to Consolidated Financial Statements," together with the report thereon of PricewaterhouseCoopers LLP dated February 20, 2001, appearing on pages 17 through 28 of the 2000 Annual Report are incorporated herein by reference (see Exhibit 13).

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Directors of the Registrant

The information under the caption "Election of Directors" in the 2001 Proxy Statement is incorporated herein by reference.

Executive Officers of the Registrant

The following table sets forth the names and ages of all executive officers of the Company (including subsidiary presidents), all positions and offices held with the Company and brief accounts of business experience during the past five years. Executive officers do not serve for any specified terms, but are typically elected annually by the Board of Directors of the Company or, in the case of subsidiary presidents, by the Board of Directors of the respective subsidiaries.

Name (Age)	Positions and Offices Held With Company (Year Elected)	Other Business Experience (Past Five Years)
Joseph C. Berenato (54)	President (1996), Chief Executive Officer (1997) and Chairman of the Board (1999)	Executive Vice President (1995), Chief Operating Officer (1995-1996), and Chief Financial Officer (1991-1996) of the Company
Robert A. Borlet (60)	Vice President, Manufacturing Operations (1999)	President of Ducommun Technologies, Inc. (1988 -1999)
James S. Heiser (44)	Vice President (1990), Chief Financial Officer (1996), General Counsel (1988), Secretary (1987), and Treasurer (1995)	--
Kenneth R. Pearson (65)	Vice President-Human Resources (1988)	--
Michael W. Williams (46)	Vice President, Corporate Development (1998)	Vice President of Operations at H.R. Textron; (1995 - 1998)

Name (Age)	Positions and Offices Held With Company (Year Elected)	Other Business Experience (Past Five Years)
Samuel D. Williams (52)	Vice President (1991) and Controller (1988)	--
Jeffrey P. Abbott (49)	President, Aerochem, Inc. (1998)	Vice President of Operations (1992-1997); Executive Vice President and General Manager (1997-1998) of Aerochem
Paul L. Graham (56)	President of Ducommun Technologies, Inc. (1999)	President of 3dbm, Inc. (1995-1998); President of Com Dev Wireless Systems (1998-1999)
Robert B. Hahn (58)	President of MechTronics of Arizona Corp. (1997)	President of Aerochem, Inc. (1987-1997)
Robert L. Hansen (47)	President, AHF-Ducommun Incorporated (1989)	--
Richard A. Klisz (45)	President of Brice Manufacturing Company, Inc. (2000)	Vice President, Sales and Marketing of Aerochem, Inc. (1994-2000)

ITEM 11. EXECUTIVE COMPENSATION

The information under the caption "Compensation of Executive Officers" in the 2001 Proxy Statement is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information under the caption "Security Ownership of Certain Beneficial Owners and Management" in the 2001 Proxy Statement is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information under the caption "Election of Directors" contained in the paragraph immediately following the table in the 2001 Proxy Statement is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) 1. Financial Statements

The following consolidated financial statements of Ducommun Incorporated and subsidiaries, included in the 2000 Annual Report, are incorporated by reference in Item 8 of this report. Page numbers refer to the 2000 Annual Report:

	Page
Consolidated Statements of Income - Years ended December 31, 2000, 1999 and 1998	17
Consolidated Balance Sheets - December 31, 2000 and 1999	18
Consolidated Statements of Cash Flows - Years ended December 31, 2000, 1999 and 1998	19
Consolidated Statements of Changes in Shareholders' Equity - Years Ended December 31, 2000, 1999 and 1998	20
Notes to Consolidated Financial Statements	21-27
Report of Independent Accountants	28

2. Financial Statement Schedule

The following schedule for the years ended December 31, 2000, 1999 and 1998 is filed herewith:

Schedule VIII - Valuation and Qualifying Accounts and Reserves

All other schedules have been omitted because they are not applicable, not required, or the information has been otherwise supplied in the financial statements or notes thereto.

(b) Reports on Form 8-K

None.

(c) Exhibits

3.1 Restated Certificate of Incorporation filed with the Delaware Secretary of State on May 29, 1990. Incorporated by reference to Exhibit 3.1 to Form 10-K for the year ended December 31, 1990.

3.2 Certificate of Amendment of Certificate of Incorporation filed with the Delaware Secretary of State on May 27, 1998. Incorporated by reference to Exhibit 3.2 to Form 10-K for the year ended December 31, 1998.

3.3 Bylaws as amended and restated on May 3, 2000.

4.1 Credit Agreement dated as of September 29, 2000 among Ducommun Incorporated and the lenders referred to therein. Incorporated by reference to Exhibit 4.1 to Form 10-Q for the quarter ended September 30, 2000.

4.2 Rights Agreement dated as of February 17, 1999 by and between Ducommun Incorporated and Harris Trust Company of California as Rights Agent. Incorporated by reference to Exhibit 4.2 to Form 8-K dated February 17, 1999.

4.3 Conversion Agreement dated July 22, 1992 between Ducommun and the holders of the 9% Convertible Subordinated Notes due 1998. Incorporated by reference to Exhibit 1 to Form 8-K dated July 29, 1992.

* 10.1 1981 Stock Incentive Plan as amended and restated March 21, 1990. Incorporated by reference to Exhibit 10.2 to Form 10-K for the year ended December 31, 1989.

* 10.2 1990 Stock Option Plan. Incorporated by reference to Exhibit 10.4 to Form 10-K for the year ended December 31, 1990.

* 10.3 1994 Stock Incentive Plan, as amended May 7, 1998. Incorporated by reference to Exhibit 10.3 to Form 10-K for the year ended December 31, 1997.

* 10.4 Form of Nonqualified Stock Option Agreement, for grants to employees prior to January 1, 1999, under the 1994 Stock Incentive Plan, the 1990 Stock Option Plan and the 1981 Stock Incentive Plan. Incorporated by reference to Exhibit 10.5 to Form 10-K for the year ended December 31, 1990.

* 10.5 Form of Nonqualified Stock Option Agreement, for grants to employees after January 1, 1999, under the 1994 Stock Incentive Plan and the 1990 Stock Option Plan. Incorporated by reference to Exhibit 10.5 to Form 10-K for the year ended December 31, 1999.

* 10.6 Form of Incentive Stock Option Agreement under the 1994 Stock Incentive Plan. Incorporated by reference to Exhibit 10.5 to Form 10-K for the year ended December 31, 1996.

* 10.7 Form of Nonqualified Stock Option Agreement for nonemployee directors under the 1994 Stock Incentive Plan. Incorporated by reference to Exhibit 10.7 to Form 10-K for the year ended December 31, 1999.

* 10.8 Form of Key Executive Severance Agreement entered with ten current executive officers of Ducommun or its subsidiaries. Incorporated by reference to Exhibit 10.7 to Form 10-K for the year ended December 31, 1999. All of the Key Executive Severance Agreements are identical except for the name of the executive officer and the date of the Agreement:

Executive Officer	Date of Agreement
Jeffrey P. Abbott	April 10, 2000
Joseph C. Berenato	November 4, 1991
Robert A. Borlet	July 27, 1988
Paul L. Graham	April 10, 2000
Robert B. Hahn	July 27, 1988
Robert L. Hansen	May 5, 1993
James S. Heiser	July 27, 1988
Kenneth R. Pearson	July 27, 1988
Michael W. Williams	October 25, 1999
Samuel D. Williams	June 21, 1989

* 10.9 Form of Indemnity Agreement entered with all directors and officers of Ducommun. Incorporated by reference to Exhibit 10.8 to Form 10-K for the year ended December 31, 1990. All of the Indemnity Agreements are identical except for the name of the director or officer and the date of the Agreement:

Director/Officer	Date of Agreement
Norman A. Barkeley	July 29, 1987
Joseph C. Berenato	November 4, 1991
Eugene P. Conese, Jr.	January 26, 2000
Ralph D. Crosby, Jr.	January 26, 2000
James S. Heiser	May 6, 1987
Kenneth R. Pearson	July 27, 1988
Michael W. Williams	February 26, 1999
Samuel D. Williams	November 11, 1988
H. Frederick Christie	October 23, 1985
Robert C. Ducommun	December 31, 1985
Kevin S. Moore	October 15, 1994
Thomas P. Mullaney	April 8, 1987

* 10.10 Description of 2001 Executive Officer Bonus Arrangement.

* 10.11 Directors' Deferred Compensation and Retirement Plan, as amended October 29, 1993. Incorporated by reference to Exhibit 10.9 to Form 10-K for the year ended December 31, 1993.

* 10.12 Ducommun Incorporated Executive Retirement Plan dated May 5, 1993. Incorporated by reference to Exhibit 10.2 to Form 10-Q for the quarter ended July 3, 1993.

* 10.13 Ducommun Incorporated Executive Compensation Deferral Plan dated May 5, 1993. Incorporated by reference to Exhibit 10.3 to Form 10-Q for the quarter ended July 3, 1993.

* 10.14 Ducommun Incorporated Executive Compensation Deferral Plan No. 2 dated October 15, 1994. Incorporated by reference to Exhibit 10.12 to Form 10-K for the year ended December 31, 1994.

10.15 Asset Purchase and Sale Agreement dated as of November 8, 1999 among Ducommun Incorporated, Ducommun Acquisition Corporation, Jordan Industries, Inc., and Parsons Precision Products, Inc. Incorporated by reference to Exhibit 2.1 to Form 8-K dated November 23, 1999.

11 Reconciliation of the Numerators and Denominators of the Basic and Diluted Earnings Per Share Computations

13 2000 Annual Report to Shareholders (not deemed to be filed except as previously incorporated by reference).

21 Subsidiaries of registrant

23 Consent of PricewaterhouseCoopers LLP

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* Indicates an executive compensation plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DUCOMMUN INCORPORATED

Date: February 23, 2001

By: /s/ Joseph C. Berenato

Joseph C. Berenato
Chairman of the Board, President
and Chief Executive Officer

Pursuant to the requirements of the Securities and Exchange Act of 1934, this report has been duly signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: February 23, 2001

By: /s/ Joseph C. Berenato

Joseph C. Berenato
Chairman of the Board, President
and Chief Executive Officer
(Principal Executive Officer)

Date: February 23, 2001

By: /s/ James S. Heiser

James S. Heiser
Vice President,
Chief Financial Officer,
General Counsel,
Secretary and Treasurer
(Principal Financial Officer)

Date: February 23, 2001

By: /s/ Samuel D. Williams

Samuel D. Williams
Vice President,
Controller and Assistant
Treasurer
(Principal Accounting Officer)

DIRECTORS

By: /s/ Norman A. Barkeley
------------------------------------ Date: February 23, 2001
Norman A. Barkeley

By: /s/ Joseph C. Berenato Date: February 23, 2001

Joseph C. Berenato

By: /s/ Eugene P. Conese, Jr. Date: February 23, 2001

Eugene P. Conese, Jr.

By: /s/ Ralph D. Crosby, Jr. Date: February 23, 2001

Ralph D. Crosby, Jr.

By: /s/ H. Frederick Christie Date: February 23, 2001

H. Frederick Christie

By: /s/ Robert C. Ducommun Date: February 23, 2001

Robert C. Ducommun

By: /s/ Kevin S. Moore Date: February 23, 2001

Kevin S. Moore

By: /s/ Thomas P. Mullaney Date: February 23, 2001

Thomas P. Mullaney

Report of Independent Accountants on Financial Statement Schedule

To the Board of Directors
of Ducommun Incorporated:

Our audits of the consolidated financial statements referred to in our report dated February 20, 2001 appearing in the 2000 Annual Report to Shareholders of Ducommun Incorporated (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 14(a)(2) of this Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PricewaterhouseCoopers LLP

Los Angeles, California
February 20, 2001

DUCOMMUN INCORPORATED
AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

SCHEDULE VIII

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Deductions	Balance at End of Period
FOR THE YEAR ENDED DECEMBER 31, 2000					
Allowance for Doubtful Accounts	$ 153,000	$1,061,000	$ 34,000(a) $ 18,000(c)	$ 67,000(b) $ 39,000(c)	$1,160,000
FOR THE YEAR ENDED DECEMBER 31, 1999					
Allowance for Doubtful Accounts	$ 125,000	$ 25,000	$ 39,000(c)	$ 36,000(b)	$ 153,000
FOR THE YEAR ENDED DECEMBER 31, 1998					
Allowance for Doubtful Accounts	$ 359,000	$ 7,000	$ --	$ 194,000(a) $ 47,000(b)	$ 125,000

(a) Collections on previously written off accounts.

(b) Write-offs on uncollectible accounts.

(c) Changes in allowance for doubtful accounts related to acquisitions in 1999.

EXHIBIT INDEX

Number

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3.3 Bylaws as amended and restated on May 3, 2000.

4.1 Credit Agreement dated as of September 29, 2000 among Ducommun Incorporated and the lenders referred to therein. Incorporated by reference to Exhibit 4.1 to Form 10-Q for the quarter ended September 30, 2000.

4.2 Rights Agreement dated as of February 17, 1999 by and between Ducommun Incorporated and Harris Trust Company of California as Rights Agent. Incorporated by reference to Exhibit 4.2 to Form 8-K dated February 17, 1999.

4.3 Conversion Agreement dated July 22, 1992 between Ducommun and the holders of the 9% Convertible Subordinated Notes due 1998. Incorporated by reference to Exhibit 1 to Form 8-K dated July 29, 1992.

* 10.1 1981 Stock Incentive Plan as amended and restated March 21, 1990. Incorporated by reference to Exhibit 10.2 to Form 10-K for the year ended December 31, 1989.

* 10.2 1990 Stock Option Plan. Incorporated by reference to Exhibit 10.4 to Form 10-K for the year ended December 31, 1990.

* 10.3 1994 Stock Incentive Plan, as amended May 7, 1998. Incorporated by reference to Exhibit 10.3 to Form 10-K for the year ended December 31, 1997.

* 10.4 Form of Nonqualified Stock Option Agreement, for grants to employees prior to January 1, 1999, under the 1994 Stock Incentive Plan, the 1990 Stock Option Plan and the 1981 Stock Incentive Plan. Incorporated by reference to Exhibit 10.5 to Form 10-K for the year ended December 31, 1990.

* 10.5 Form of Nonqualified Stock Option Agreement, for grants to employees after January 1, 1999, under the 1994 Stock Incentive Plan and the 1990 Stock Option Plan. Incorporated by reference to Exhibit 10.5 to Form 10-K for the year ended December 31, 1999.

* 10.6 Form of Incentive Stock Option Agreement under the 1994 Stock Incentive Plan. Incorporated by reference to Exhibit 10.5 to Form 10-K for the year ended December 31, 1996.

* 10.7 Form of Nonqualified Stock Option Agreement for nonemployee directors under the 1994 Stock Incentive Plan. Incorporated by reference to Exhibit 10.7 to Form 10-K for the year ended December 31, 1999.

* 10.8 Form of Key Executive Severance Agreement entered with ten current executive officers of Ducommun or its subsidiaries. Incorporated by reference to Exhibit 10.7 to Form 10-K for the year ended December 31, 1999. All of the Key Executive Severance Agreements are identical except for the name of the executive officer and the date of the Agreement:

Executive Officer	Date of Agreement
Jeffrey P. Abbott	April 10, 2000
Joseph C. Berenato	November 4, 1991
Robert A. Borlet	July 27, 1988
Paul L. Graham	April 10, 2000
Robert B. Hahn	July 27, 1988
Robert L. Hansen	May 5, 1993
James S. Heiser	July 27, 1988
Kenneth R. Pearson	July 27, 1988
Michael W. Williams	October 25, 1999
Samuel D. Williams	June 21, 1989

* 10.9 Form of Indemnity Agreement entered with all directors and officers of Ducommun. Incorporated by reference to Exhibit 10.8 to Form 10-K for the year ended December 31, 1990. All of the Indemnity Agreements are identical except for the name of the director or officer and the date of the Agreement:

Director/Officer	Date of Agreement
Norman A. Barkeley	July 29, 1987
Joseph C. Berenato	November 4, 1991
Eugene P. Conese, Jr.	January 26, 2000
Ralph D. Crosby, Jr.	January 26, 2000
James S. Heiser	May 6, 1987
Kenneth R. Pearson	July 27, 1988
Michael W. Williams	February 26, 1999
Samuel D. Williams	November 11, 1988
H. Frederick Christie	October 23, 1985
Robert C. Ducommun	December 31, 1985
Kevin S. Moore	October 15, 1994
Thomas P. Mullaney	April 8, 1987

* 10.10 Description of 2001 Executive Officer Bonus Arrangement.

* 10.11 Directors' Deferred Compensation and Retirement Plan, as amended October 29, 1993. Incorporated by reference to Exhibit 10.9 to Form 10-K for the year ended December 31, 1993.

* 10.12 Ducommun Incorporated Executive Retirement Plan dated May 5, 1993. Incorporated by reference to Exhibit 10.2 to Form 10-Q for the quarter ended July 3, 1993.

* 10.13 Ducommun Incorporated Executive Compensation Deferral Plan dated May 5, 1993. Incorporated by reference to Exhibit 10.3 to Form 10-Q for the quarter ended July 3, 1993.

* 10.14 Ducommun Incorporated Executive Compensation Deferral Plan No. 2 dated October 15, 1994. Incorporated by reference to Exhibit 10.12 to Form 10-K for the year ended December 31, 1994.

10.15 Asset Purchase and Sale Agreement dated as of November 8, 1999 among Ducommun Incorporated, Ducommun Acquisition Corporation, Jordan Industries, Inc., and Parsons Precision Products, Inc. Incorporated by reference to Exhibit 2.1 to Form 8-K dated November 23, 1999.

11 Reconciliation of the Numerators and Denominators of the Basic and Diluted Earnings Per Share Computations

13 2000 Annual Report to Shareholders (not deemed to be filed except as previously incorporated by reference).

21 Subsidiaries of registrant

23 Consent of PricewaterhouseCoopers LLP

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* Indicates an executive compensation plan or arrangement.

EXHIBIT 3.3
As Amended May 3, 2000

BYLAWS OF DUCOMMUN INCORPORATED

ARTICLE I

Offices

Section 1. Registered Office. The Registered Office of Ducommun Incorporated (hereinafter called the Corporation) in the State of Delaware shall be at 32 Loockerman Square, Suite L-100, in the City of Dover 19901, County of Kent, and the name of the Registered Agent in charge thereof shall be Prentice-Hall Corporation System, Inc.

Section 2. Principal Office. The principal office for the transaction of business of the Corporation shall be 111 West Ocean Boulevard, Suite 900, in the City of Long Beach, County of Los Angeles, State of California. The Board of Directors has full power and authority to change said principal office from one location to another, whether within or outside said City, County or State, by amendment of this Section 2.

Section 3. Other Offices. The Corporation may also have an office or offices at such other place or places, either within or without the State of Delaware, as the Board of Directors may from time to time determine as the business of the Corporation may require.

ARTICLE II

Stockholders

Section 1. Annual Meetings. The Annual Meeting of Stockholders shall be held at 9:00 o'clock a.m. Pacific Time on the first Wednesday of May each year, if not a legal holiday, in which case the annual meeting shall be held on the next business day following, or on such other date as shall be designated by the Board of Directors, for the purpose of electing Directors and for the transaction of such other business as may be brought before the meeting. If such annual meeting is not held, or the Directors are not elected thereat, Directors may be elected at a special meeting held for that purpose, and it shall be the duty of the Chairman of the Board of Directors, the President, any Executive Vice President, any Senior Vice President, any Vice President or the Secretary, upon the demand of any stockholder entitled to vote, to call such special meeting.

Section 2. Special Meetings. Special meetings of the stockholders for any purpose or purposes may be called at any time by the Board of Directors or by a majority of the members of the Board of Directors.

Section 3. Notice of Meetings. Except as otherwise required by law, notice of meetings of stockholders, annual or special, shall be given to stockholders entitled to vote thereat by the Secretary or an Assistant Secretary or other person charged with that duty not less than ten (10) nor more than sixty (60) days before the date of any such meeting. Such notice may be printed, typewritten, or in handwriting, and may be given to any stockholder either personally or by sending a copy of the notice through the mail, or by telegram, charges prepaid, to his address appearing on the books of the Corporation or supplied by him to the Corporation for the purpose of notice. Except as otherwise expressly required by law, no publication of any notice of a meeting of the stockholders shall be required. Every notice of a meeting of the stockholders shall state the place, date and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called.

Section 4. Place of Meetings. All meetings of the stockholders shall be held at the principal office of the Corporation in the State of California or at such other place within or without the State of Delaware as the Board of Directors may from time to time designate.

Section 5. Quorum. A quorum at any meeting of the stockholders shall consist of stockholders holding a majority of the voting power of the shares of this Corporation outstanding and entitled to vote thereat, represented either in person or by proxy, except as otherwise specifically provided by law or in the Certificate of Incorporation. In the absence of a quorum, any meeting of stockholders may be adjourned from time to time by the vote of a majority of the voting stock, the holders of which are either present in person or represented by proxy thereat. The stockholders present at a meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Section 6. Adjournments. When a meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of the original meeting, but when a meeting is adjourned for less than thirty (30) days it is not necessary to give any notice of the time and place of the adjourned meeting or of the business to be transacted thereat other than by announcement at the meeting at which the adjournment is taken. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally noticed.

Section 7. Organization. The Chairman of the Board of Directors, or, in his absence, the President, or in the absence of the Chairman of the Board of Directors and the President, the Executive Vice President, a Senior Vice President or a Vice President shall call meetings of stockholders to order, and shall act as Chairman of such meetings. In the absence of the Chairman of the Board of Directors, the President, the Executive Vice President, any Senior Vice President and the Vice Presidents, the stockholders shall appoint a Chairman for such meeting. The Secretary of the Corporation shall act as Secretary at all meetings of the stockholders, but in the absence of the Secretary at any meeting of the stockholders, the presiding officer may appoint any person to act as Secretary of the meeting.

Section 8. Voting

(a) Each stockholder shall, at each meeting of the stockholders, be entitled to vote in person or by proxy each share or fractional share of the stock of the Corporation having voting rights on the matter in question and which shall have been held by him and registered in his name on the books of the Corporation:

(i) on the date fixed pursuant to ARTICLE II, Section 11 of these Bylaws as the record date for the determination of stockholders entitled to notice of and to vote at such meeting, or

(ii) if no such record date shall have been so fixed, then (a) at the close of business on the day next preceding the day on which notice of the meeting shall be given, or (b) if notice of the meeting shall be waived, at the close of business on the day next preceding the day on which the meeting shall be held.

(b) Shares of its own stock belonging to the Corporation shall not be entitled to vote. Persons holding in a fiduciary capacity stock of the Corporation shall be entitled to vote such stock so held. A person whose stock is pledged shall be entitled to vote such stock, unless in the transfer by the pledger on the books of the Corporation he shall have expressly empowered the pledgee to vote thereon, in which case only the pledgee, or his proxy, may represent such stock and vote thereon. Stock having voting power standing of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety or otherwise, or with respect to which two or more persons have the same fiduciary relationship, shall be voted in accordance with the provisions of the General Corporation Law of the State of Delaware.

(c) Any such voting rights may be exercised by the stockholder entitled thereto in person or by his proxy appointed by an instrument in writing, subscribed by such stockholder or by his attorney thereunto authorized and delivered to the Secretary of the meeting; provided, however, that no proxy shall be voted or acted upon after three years from its date unless said proxy shall provide for a longer period. The attendance at any meeting of a stockholder who may theretofore have given a proxy shall not have the effect of revoking the same unless he shall in writing so notify the Secretary of the meeting prior to the voting of the proxy. At any meeting of the stockholders all matters, except as otherwise provided in the Certificate of Incorporation, these Bylaws or bylaw, shall be decided by the vote of majority in voting interest of the stockholders present in person or by proxy and entitled to vote thereat and thereon, a quorum being present. The vote at any meeting of the stockholders on any question need not be by ballot, unless so directed by the Chairman of the meeting. On a vote by ballot each ballot shall be signed by the stockholder voting, or by his proxy, if there be such proxy, and it shall state the number of shares voted.

Section 9. Inspectors of Election. In advance of any meeting of stockholders, the Board of Directors may appoint inspectors of election to act at such meeting or any adjournment thereof. If inspectors of election be not so appointed, the Chairman of any such meeting may make such appointment at the meeting. The number of inspectors shall be either one or three.

Section 10. Consent of Absentees. The transactions of any meeting of stockholders, either annual or special, however called and noticed, 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 of the stockholders entitled to vote, not present in person or by proxy, signs a written waiver of notice. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting. Attendance of a person at a meeting of stockholders shall constitute a waiver of notice of such meeting, except when the stockholder attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 11. Record Date and Closing Stock Books. The Board of Directors may fix a record date for the determination of the stockholders entitled to notice of and to vote at any meeting of stockholders, or for the determination of the stockholders entitled to receive any dividend or distribution or any allotment of rights, or to exercise rights in respect to any change, conversion or exchange of shares. The record date so fixed shall not be more than sixty (60) nor less than ten (10) days before the date of any such meeting, nor more than sixty (60) days prior to any other action. When a record date is so fixed, only stockholders who are such of record on that date are entitled to notice of and to vote at the meeting or 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. The Board of Directors may close the books of the Corporation against transfers of shares during the whole or any part of a period not more than sixty (60) days prior to the date of a stockholders' meeting, the date when the right to any dividend, distribution, or allotment of rights vests, or the effective date of any change, conversion or exchange of shares. A determination of stockholders entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of such meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 12. Conduct of Meetings. The Chairman of the Board of Directors shall have complete authority to establish rules of conduct governing all meetings of stockholders. These rules may include, but shall not be limited to, rules related to attendance, questions from the audience and similar matters. Notwithstanding the above, the nomination at any meeting of stockholders of any person to serve as a Director shall not be valid unless (i) the nomination of such person has been approved by resolution of the Board of Directors of the Corporation, or (ii) notice of the nomination of such person has been delivered to the Secretary of the Corporation not less than 120 days prior to the date of the meeting of stockholders.

(Section 1(b) and 1(c) Amended 5/03/00)

ARTICLE III

Board of Directors

Section 1(a). Powers. The corporate powers, business and property of this Corporation shall be exercised, conducted and controlled by a Board of Directors. In addition to the powers and authorities expressly conferred upon it by these Bylaws, the Board may exercise all such powers and do all such lawful acts and things as are not by statute or by these Bylaws directed or required to be exercised or done by the stockholders. Directors need not be stockholders.

Section 1(b). Minimum and Maximum Number. The authorized number of Directors of this Corporation shall be not less than six (6) nor more than eight (8) until changed by an amendment of this Bylaw; the exact number of Directors shall be fixed, within the limits specified in this Section 1(b), by a Bylaw or amendment thereof to be numbered as Section 1(c).

Section 1(c). Exact Number of Directors. The exact number of Directors of this Corporation is eight (8) until changed within the limits specified in Section 1(b) or this ARTICLE III by a Bylaw duly adopted amending this Section 1(c).

Section 2. Vacancies. In case of a vacancy in the Directors through death, resignation, disqualification, or other cause, the remaining Directors, though less than a quorum, by affirmative vote of a majority thereof, or the sole remaining Director, may elect a successor or successors to hold office for the unexpired portion of the term of the Director whose place shall be vacant, and until the election of his successor.

Section 3. Place of Meeting. The Directors may hold their meetings and have an office and keep the books of the Corporation in such place or places within or without the State of Delaware as the Board may from time to time determine.

Section 4(a). Regular Meetings. By resolution and notice thereof to all the Directors at the time in office, the Board of Directors may provide that regular meetings of said Board shall be held at stated intervals and at a place to be fixed in such resolution. In case such regular meetings are provided for, it shall not be necessary to give notice of any such meetings, or of the business to be transacted. A meeting of the Board of Directors may be held without notice immediately after the Annual Meeting of Stockholders.

Section 4(b). Special Meetings. Special meetings of the Board of Directors may be called by the Chairman or the Board of Directors, the President, any two Vice Presidents, any two Directors, or by the sole remaining Director. Written notice of the time and place of special meetings shall be delivered personally to each Director or sent to each Director by mail or other form of written communication, charges prepaid, addressed at his business address or his residence address, as either may be shown upon the records of the Corporation, or if not so shown, or not readily ascertainable, at the principal office of the Corporation. In case such notice is delivered personally it shall be delivered at least twenty-four hours prior to the time of the holding of the meeting. In case such notice is sent by TWX, Telex, or Telegram, it shall be transmitted or delivered to the telegraph company nearest to the principal office of the Corporation at least twenty-four hours prior to the time of the holding of the meeting. In case such notice is mailed, it shall be deposited in the United States mail at least sixty hours prior to the time of the holding of the meeting. Except where otherwise required by law or by these Bylaws, notice of the purpose of a special meeting need not be given. Notice of any meeting of the Board of Directors shall not be required to be given to any Director who shall have waived such notice and such notice shall be deemed to have been waived by any Director who is present at such meeting.

Section 5. Quorum. A majority of the authorized number of Directors shall constitute a quorum for the transaction of business, but if at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time. 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, unless a greater number be required by law or by the Certificate of Incorporation.

Section 6. 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 such action and such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of the Directors.

Section 7. Compensation of Directors. Unless otherwise provided by the Certificate of Incorporation, the Board of Directors shall have authority to fix the compensation of Directors. Directors may be paid a fixed sum for attendance at each meeting of the Board of Directors and may be paid a stated compensation for serving as Directors. Directors may also be paid their expenses, if any, for attending each meeting of the Board of Directors. No payments to Directors shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 8. Presiding Officers. At all meetings of the Board of Directors, the Chairman of the Board of Directors, or, in his absence, the President of the Corporation, or in the absence of the Chairman of the Board of Directors and the President, a Chairman chosen by the Directors present shall preside.

Section 9. Election of Officers. At the first meeting of the Board of Directors each year (at which a quorum shall be present) held next after the Annual Meeting of Stockholders, the Board of Directors shall proceed to the election of the Officers of the Corporation.

Section 10. Committees of the Board of Directors. The Board of Directors may by resolution appoint an Executive Committee and other committees. Such Executive Committee and other committees shall be composed of two or more members of this Board of Directors and shall have such powers as may be expressly delegated to them by resolution of the Board of Directors, except that no such committee shall have the power to amend the Certificate of Incorporation, to adopt an agreement of merger or consolidation, to recommend to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, to recommend to the stockholders the dissolution of the Corporation or a revocation of a dissolution, or to adopt, amend or repeal Bylaws. The Executive Committee, if there shall be one, shall have the right and authority to declare dividends. The Board of Directors shall have the authority to fix the compensation of members of the committees for attending committee meetings.

Section 11. Advisory Directors. The Board of Directors may elect one or more Advisory Directors who shall have such powers and perform such duties as the Directors shall assign to them. Advisory Directors shall, upon election, serve until the next Annual Meeting of Stockholders. Advisory Directors shall receive notice of all meetings of the Board of Directors in the same manner and at the same time as the Directors. They shall attend such meetings in an advisory capacity, but shall not cast a vote or be counted to determine a quorum. Any Advisory Director may be removed, either with or without cause, by a majority of the Directors. The Advisory Directors shall not receive any stated compensation for their services as Advisory Directors, but by resolution of the Board of Directors a fixed fee and expenses of attendance may be allowed for attendance at each meeting. Nothing herein shall be construed to preclude any Advisory Director from serving the Corporation in any other capacity as an officer, agent or otherwise, and receiving compensation therefor.

(New Section 9 Added 10/21/92)

ARTICLE IV

Officers

Section 1. Officers. The Officers of the Corporation shall be a President, a Secretary and a Treasurer, who shall be elected by the Directors at their first meeting after the Annual Meeting of Stockholders, and who shall hold office until their successors are elected and qualify. The Board of Directors may also elect at its discretion a Chairman of the Board, one or more Executive Vice Presidents, one or more Senior Vice Presidents, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other Officers as the business of the Corporation may require. The Chairman of the Board, if there shall be such an officer, and the President must be members of the Board of Directors. So far as is permitted by law any two or more offices may be held by the same person.

Section 2(a). Chairman of the Board. The Chairman of the Board of Directors, if there shall be such an officer, shall preside at meetings of the stockholders and of the Board of Directors, and shall perform such other duties, in major policy areas or otherwise, consistent with his office, as may be assigned to him by the Board of Directors.

Section 2(b). Vice Chairman of the Board. The Vice Chairman of the Board of Directors, if there shall be such an officer, shall, during any period when so requested by the Chairman of the Board of Directors or during the absence of the Chairman of the Board of Directors or his inability to act, have the powers and perform the duties of the Chairman. The vice Chairman shall perform such other duties consistent with his office as from time to time may be assigned to him by the Board of Directors.

Section 3. President. The President shall be the chief executive officer of the Corporation. Subject to the control of the Board of Directors, he shall have general executive powers concerning, and active management and supervision over, the property, business and affairs of the Corporation and its several officers. He shall have the powers and shall perform the duties usually incident to the office of President and, during any period when so requested by the Chairman of the Board of Directors, or during the absence of the Chairman and the Vice Chairman of the Board of Directors or the inability of both to act, shall also have the powers and perform the duties of the Chairman of the Board of Directors. The President shall perform such other duties consistent with his office as from time to time may be assigned to him by the Board of Directors.

Section 4(a). Executive Vice President. The Executive Vice President(s), if there shall be such an officer, shall, subject to such powers as shall be assigned to him from time to time by the Board of Directors or by the President, have such managerial responsibility and authority and shall exercise such supervisory powers as shall be assigned to him from time to time by the Board of Directors or by the President. He shall exercise the functions of the President during the absence or disability of the President.

Section 4(b). Senior Vice President. The Senior Vice President(s) shall exercise general supervision over and have executive control of such departments of the Corporation's business and shall have such powers and discharge such duties as may be assigned to him from time to time by the Board of Directors. The Senior Vice President, as designated by the Board of Directors, shall exercise the functions of the President during the absence or disability of the President and the Executive Vice President.

Section 4(c). Vice Presidents. The Vice Presidents shall exercise general supervision over and have executive control of such departments of the Corporation's business and shall have such powers and discharge such duties as may be assigned to each of them from time to time by the Board of Directors. The Vice Presidents in order of their rank, or if not ranked, as designated by the Board of Directors, shall exercise the functions of the President during the absence or disability of the President, the Executive Vice President and the Senior Vice President.

Section 5. Secretary. The Secretary shall issue due notice to stockholders and Directors in accordance with these Bylaws and as required by law, shall record all the proceedings of the meetings of the stockholders and Directors in a book to be kept for that purpose, shall have charge of the corporate seal, shall keep or cause to be kept a share register of stockholders of the Corporation, and shall make such reports and perform such other duties as are incident to his office, or assigned to him by the Board of Directors.

Section 6. Assistant Secretary. The Assistant Secretaries shall, in the absence or disability of the Secretary, perform the duties and exercise the power of the Secretary.

Section 7. Treasurer. The Treasurer shall have the custody of all monies and securities of the Corporation and shall keep regular books of account. He shall disburse the funds of the Corporation in payment of the just demands against the Corporation, or as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Board of Directors from time to time, as may be required of him, an account of all his transactions as Treasurer and of the financial condition of the Corporation.

Section 8. Assistant Treasurer. The Assistant Treasurer shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer.

Section 9. General Counsel. The General Counsel shall provide legal advice to the Corporation, render legal opinions as necessary in connection with the business of the Corporation, exercise general supervision over the legal affairs of the Corporation and perform such other duties as assigned to him by the Board of Directors.

Section 10. Duties. Except as otherwise provided in this Section, the said Officers shall have all the usual powers and shall perform all the usual duties incident to their respective offices and shall, in addition, perform such other duties as shall be assigned to them from time to time by the Board of Directors.

Section 11. Delegation of Duties. In the absence or disability of any Officer of the Corporation, the Board of Directors may, subject to the provisions of this Section, delegate his powers and duties to any other Executive Officer, or to any Director, during such absence or disability, and the person so delegated shall, for the time being, be the Officer whose powers and duties he so assumes.

Section 12. Vacancies. A vacancy in any office existing at any time may be filled by the Directors at any regular or special meeting.

Section 13. Other Officers. The Board of Directors may appoint such other Officers and agents as it shall deem necessary or expedient, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

Section 14. Salaries. The salaries of all Officers of the Corporation shall be approved by the Board of Directors.

Section 15. Bonds. The Board of Directors may require any and all Officers, respectively, to give a bond for the faithful performance of their respective duties in such sum as said Board of Directors may determine, such bond to be executed by a reliable surety company, but the expense of obtaining the same shall be borne by the Corporation.

Section 16. Representation of Shares of Other Corporations. The President or any Vice President and the Secretary or any Assistant Secretary of this Corporation are authorized to vote, represent and exercise on behalf of this Corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this Corporation. The authority herein granted to said Officers to vote or represent on behalf of this Corporation any and all shares held by this Corporation in any other corporation or corporations may be exercised either by such Officers in person or by any person authorized so to do by proxy or power of attorney duly executed by said Officers.

Section 17. Removal of Officers. Any Officer may be removed at any time by the affirmative vote of a majority of the Board of Directors.

(Section 5 of Article V deleted in its entirety 10/18/96)

ARTICLE V

Certificates of Stock

Section 1. Form and Execution of Certificate. The certificates of shares of stock of the Corporation shall be in such form as shall be approved by the Board of Directors. All certificates shall be signed by the President or a Vice President, and by the Secretary or an Assistant Secretary or by the Treasurer or an Assistant Treasurer; provided, however, that if any such certificate is countersigned by a transfer agent other than the Corporation or its employee, or by a registrar other than the Corporation or its employee, the signatures of such President or Vice President and of such Secretary or Assistant Secretary or Treasurer or Assistant Treasurer may be facsimiles.

Section 2. Certificates to be Entered. All certificates shall be consecutively numbered and the names in which they are issued, the number of shares and the date of issue shall be entered in the Corporation's books.

Section 3. Transfer of Shares. Shares shall be transferred only on the books of the Corporation by the holder thereof, in person or by his attorney, upon the surrender and cancellation of certificates for a like number of shares.

Section 4. Regulations. The Board of Directors shall have power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer and registration of certificates of stock, and may appoint a transfer agent or transfer agents and a registrar or registrars of transfers, and may require all stock certificates to bear the signature of any such transfer agent and registrar of transfers.

ARTICLE VI

Seal

The Board of Directors shall provide a corporate seal, which shall be in the form of a circle and shall bear the name of the Corporation in words and figures showing that it was incorporated in the State of Delaware in the year 1970.

ARTICLE VII

Indemnification

Section 1. Indemnification of Directors and Officers. The Corporation shall, to the fullest extent permitted by law, indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (including without limitation any action by or in the right of the Corporation) by reason of the fact that he is or was a Director or Officer of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, that he had reasonable cause to believe that his conduct was unlawful. The right of indemnity provided herein shall not be exclusive, and the Corporation may provide indemnification to any person, by agreement or otherwise, on such terms and conditions as the Board of Directors may approve. Any agreement for indemnification of any Director, Officer, employee or other person may provide indemnification rights which are broader or otherwise different from those set forth herein.

Section 2. Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this ARTICLE.

ARTICLE VIII

Fiscal Year

The fiscal year of the Corporation shall commence on January 1, and end on December 31 of each year.

ARTICLE IX

Amendments

These Bylaws may be adopted, amended or repealed by the vote of stockholders as set forth in the Certificate of Incorporation. Subject to the right of stockholders to adopt, amend or repeal Bylaws, Bylaws may be adopted, amended or repealed by the Board of Directors.

EXHIBIT 10.10

DUCOMMUN INCORPORATED

DESCRIPTION OF
2001 EXECUTIVE OFFICER BONUS ARRANGEMENT

The Ducommun Incorporated 2001 Executive Officer Bonus Arrangement (the "Arrangement") is designed to reward achievement of annual operating plan objectives in order to build profitability and provide competitive compensation levels. The Arrangement contains a formula-based incentive plan driven by sales, net income, cash flow and return on asset performance in excess of established thresholds. The participants in the Arrangement are the six Ducommun corporate officers and five subsidiary officers.

The Arrangement provides for bonus awards ranging from 0 to 100% of annual base salary depending on position. The targeted bonus award under the Arrangement is half of the maximum bonus eligibility for each individual. Bonus awards are based on a combination of total corporate performance and on individual performance of executive officers. The subsidiary officers are also measured based upon the financial performance of their respective operating units. All awards are subject to the approval of the Compensation Committee of the Board of Directors.

EXHIBIT 11

DUCOMMUN INCORPORATED AND SUBSIDIARIES
RECONCILIATION OF THE NUMERATORS AND DENOMINATORS OF
THE BASIC AND DILUTED EARNINGS PER SHARE COMPUTATIONS

	For the Year Ended December 31, 2000		
	Income (Numerator)	Shares (Denominator)	Per-Share Amount
BASIC EPS			
Income Available to Common Stockholders	$12,720,000	9,650,000	$ 1.32
EFFECT OF DILUTIVE SECURITIES			
Stock Options	--	111,000	
DILUTED EPS			
Income Available to Common Stockholders + Assumed Conversions	$12,720,000	$ 9,761,000	$ 1.30

	For the Year Ended December 31, 1999		
	Income (Numerator)	Shares (Denominator)	Per-Share Amount
BASIC EPS			
Income Available to Common Stockholders	$13,444,000	10,209,000	$ 1.32
EFFECT OF DILUTIVE SECURITIES			
Stock Options	--	309,000	
DILUTED EPS			
Income Available to Common Stockholders + Assumed Conversions	$13,444,000	$10,518,000	$ 1.28

	For the Year Ended December 31, 1998		
	Income (Numerator)	Shares (Denominator)	Per-Share Amount
BASIC EPS			
Income Available to Common Stockholders	$23,693,000	11,149,000	$ 2.13
EFFECT OF DILUTIVE SECURITIES			
Stock Options	--	469,000	
DILUTED EPS			
Income Available to Common Stockholders + Assumed Conversions	$23,693,000	11,618,000	$ 2.04

Note: Share-related data have been adjusted for the 3-for-2 stock split in June 1998.

EXHIBIT 13

DUCOMMUN INCORPORATED
ANNUAL REPORT

The following portions of Ducommun Incorporated and Subsidiaries 2000 Annual Report are incorporated by reference in Items 5, 6, 7, and 8 of this report.

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SELECTED FINANCIAL DATA

Year ended December 31,	2000	1999	1998	1997	1996
(In thousands, except per share amounts)					
Net Sales	$ 165,711	$ 146,054	$ 170,772	$ 157,287	$ 118,357
Gross Profit as a Percentage of Sales	28.9%	31.7%	33.3%	32.0%	32.6%
Operating Income	22,305	22,502	29,795	25,288	15,478
Operating Income as a Percentage of Sales	13.5%	15.4%	17.4%	16.1%	13.1%
Gain on Sale of Subsidiary	--	--	9,249	--	--
Income Before Taxes	20,517	21,892	38,919	24,653	14,325
Income Tax Expense	(7,797)	(8,448)	(15,226)	(10,356)	(4,040)
Net Income	$ 12,720	$ 13,444	$ 23,693	$ 14,297	$ 10,285
Earnings Per Share:					
Income Before Gain on Sale of Subsidiary	$ 1.30	$ 1.28	$ 1.51	$ 1.20	$ .90
Gain on Sale of Subsidiary	--	--	.53	--	--
Diluted Earnings Per Share	$ 1.30	$ 1.28	$ 2.04	$ 1.20	$ .90
Working Capital	$ 31,403	$ 29,862	$ 30,793	$ 30,182	$ 17,286
Total Assets	148,474	141,802	117,204	104,241	95,814
Long-Term Debt Including Current Portion	19,654	27,840	6,784	5,803	10,290
Total Shareholders' Equity	99,529	87,842	83,705	73,703	59,188

Share-related data have been adjusted for the 3-for-2 stock split in June 1998.

QUARTERLY COMMON STOCK PRICE INFORMATION

	2000		1999		1998	
	High	Low	High	Low	High	Low
First Quarter	$11.00	$ 8.75	$14.94	$ 9.38	$23.33	$19.42
Second Quarter	12.44	8.88	12.75	8.75	23.50	18.94
Third Quarter	15.38	12.13	14.94	10.75	20.75	17.19
Fourth Quarter	14.13	10.56	10.88	8.75	18.75	13.13

The common stock of the Company (DCO) is listed on the New York Stock Exchange. On December 31, 2000, the Company had approximately 592 holders of record of common stock.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

ACQUISITIONS

In November 1999, the Company, through a wholly-owned subsidiary, acquired the assets and assumed certain liabilities of Parsons Precision Products, Inc. ("Parsons") for $22,073,000 in cash. Parsons is a leading manufacturer of complex titanium hot-formed subassemblies and components for commercial and military aerospace applications. In April 1999, the Company acquired the capital stock of Sheet Metal Specialties Company ("SMS") for $10,096,000 in cash, net of cash acquired and payments of other liabilities of SMS, and a $1,500,000 note. SMS is a manufacturer of subassemblies for commercial and military aerospace applications. In June 1998, the Company acquired the capital stock of American Electronics, Inc. ("AEI") for $8,165,000 in cash and $1,900,000 in other liabilities. AEI is a leading manufacturer of high precision actuators, stepper motors, fractional horsepower motors and resolvers principally for space applications. The acquisitions of Parsons, SMS and AEI were accounted for under the purchase method of accounting. These acquisitions accounted for approximately $30,099,000 and $30,086,000 of the excess of cost over net assets acquired at December 31, 2000, and December 31, 1999, respectively, which is being amortized on a straight-line basis over 15 to 20 years. The consolidated statements of income include the operating results for Parsons, SMS and AEI since the dates of the acquisitions.

The acquisitions were funded from internally generated cash, notes and other accounts payable to sellers, and borrowings under the Company's credit agreement (see Financial Condition for additional information). These acquisitions strengthened the Company's position in the aerospace industry and added complementary lines of business.

DISPOSITIONS

In August 1998, the Company sold the capital stock of its wireless communications subsidiary, 3dbm, Inc. ("3dbm"). The subsidiary was sold for $17,250,000 in cash, resulting in a pretax gain of $9,249,000 on the sale and an after-tax gain of $6,206,000, or $0.53 per diluted share, which was recorded in the third quarter of 1998. The Company sold 3dbm because the level of investment required to ensure the long-term viability of 3dbm in the wireless systems infrastructure business was more than the Company was willing to commit.

RESULTS OF OPERATIONS

2000 Compared to 1999 - Net sales increased 13% to $165,711,000 in 2000. The increase resulted primarily from an increase in the Company's sales from the SMS and Parsons acquisitions, as well as sales from a new contract at AHF-Ducommun for C-17 fuselage panels. Sales to the C-17 program increased approximately $11,300,000 in 2000. The acquisitions of SMS and Parsons increased sales by approximately $13,000,000 in 2000. Excluding the SMS and Parsons acquisitions, sales increased 5% in 2000 compared to 1999. The Company's mix of business was approximately 53% commercial, 38% military and 9% space in 2000. Foreign sales decreased to 16% of sales from 19% in 1999. The Company did not have sales to any foreign country greater than 5% of total sales in 2000 or 1999.

The Company had substantial sales to Boeing, Lockheed Martin and Raytheon. During 2000 and 1999, sales to Boeing were $61,109,000 and $40,310,000, respectively; sales to Lockheed Martin were $12,685,000 and $15,470,000, respectively; and sales to Raytheon were $14,242,000 and $10,138,000, respectively. At December 31, 2000, trade receivables from Boeing, Lockheed Martin and Raytheon were $6,318,000, $1,390,000 and $1,826,000, respectively. The sales and receivables relating to Boeing, Lockheed Martin and Raytheon are diversified over a number of different commercial, space and military programs.

The Company's commercial business is represented on virtually all of today's major commercial aircraft. During 2000, commercial sales for Boeing aircraft were slightly higher, principally because of the acquisitions of Parsons and SMS. Sales related to commercial business were approximately $88,515,000, or 53% of total sales in 2000.

Military components manufactured by the Company are employed in many of the country's front-line fighters, bombers, helicopters and support aircraft, as well as many land and sea-based vehicles. The Company's defense business is widely diversified among military manufacturers and programs. Sales related to military programs were approximately $62,569,000, or 38% of total sales in 2000. The C-17 program accounted for approximately $19,594,000 in sales in 2000.

In the space sector, the Company produces components for the expendable fuel tanks which help boost the Space Shuttle vehicle into orbit. Components are also produced for a variety of unmanned launch vehicles and satellite programs. During 2000, sales related to space programs were lower due to timing differences in production scheduling for the Space Shuttle program. Sales related to space programs were approximately $14,627,000, or 9% of total sales in 2000.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

At December 31, 2000, backlog believed to be firm was approximately $238,600,000, compared to $213,100,000 at December 31, 1999. The backlog increase from December 31, 1999 was due primarily to a contract with Boeing for production of fuselage skin panels for the C-17 aircraft. The contract was valued at $49,000,000 at the time of the award. There is also an option contract with Boeing for the production of C-17 fuselage skin panels for the period 2003-2007. The option contract, if fully exercised by Boeing, is valued at $62 million. Taken together, the $111 million contract is the largest contract award in the Company's history. The Company also experienced backlog growth at December 31, 2000 of approximately $10,800,000 for the F-18 program. Approximately $103,100,000 of the total backlog is expected to be delivered during 2001.

Gross profit, as a percentage of sales, decreased to 28.9% in 2000 from 31.7% in 1999. This decrease was primarily the result of changes in sales mix, pricing pressures from customers and production costs for new programs.

Selling, general and administrative expenses, as a percentage of sales, were 13.8% in 2000, compared to 14.9% in 1999. Selling, general and administrative expenses in 2000 included an approximately $715,000 increase in the allowance for doubtful accounts resulting from the bankruptcy of two of the Company's airline customers during the fourth quarter of 2000. In early January 2001, the Company embarked on steps to integrate the marketing, engineering and manufacturing capabilities of its AHF-Ducommun, Aerochem and Parsons subsidiaries to offer a full range of structural components and subassemblies to the Company's customers.

Goodwill amortization expense, as a percentage of sales, was 1.7% in 2000, compared to 1.4% in 1999. This increase was primarily the result of a full year of goodwill amortization expense in 2000 related to the SMS and Parsons acquisitions made in 1999.

Interest expense increased 193% to $1,788,000 in 2000 primarily due to higher debt levels and interest rates in 2000 compared to 1999.

Income tax expense decreased to $7,797,000 in 2000, compared to $8,448,000 in 1999. The decrease in income tax expense was primarily due to the decrease in income before taxes and an effective income tax rate of 38.0% for 2000 compared to 38.6% for 1999. The decrease in the tax rate was primarily due to certain tax credits that became available to the Company. Cash expended to pay income taxes decreased to $5,084,000 in 2000, compared to $8,170,000 in 1999.

Net income for 2000 was $12,720,000, or $1.30 diluted earnings per share, compared to $13,444,000, or $1.28 diluted earnings per share, in 1999. Diluted earnings per share rose $0.02 per diluted share on a year-to-year basis, despite a decline in net income, due to a reduction of approximately 757,000 in average diluted shares outstanding in 2000, compared to 1999.

1999 Compared to 1998 - Net sales decreased 14% to $146,054,000 in 1999. The decrease resulted primarily from a reduction in the Company's sales of commercial and military after-market products in its aircraft seating and electromechanical switch businesses, lower sales for Boeing commercial aircraft, lower sales for space programs, and lower sales for certain commercial and military programs due to a lack of titanium availability. The acquisitions of SMS and Parsons increased sales by approximately $7,624,000 in 1999. The Company's mix of business was approximately 58% commercial, 31% military and 11% space in 1999. Foreign sales increased to 19% of sales from 17% in 1998. The Company did not have sales to any foreign country greater than 5% of total sales in 1999 or 1998.

The Company had substantial sales to Boeing, Lockheed Martin and Raytheon. During 1999 and 1998, sales to Boeing were $40,310,000 and $48,334,000, respectively; sales to Lockheed Martin were $15,470,000 and $18,465,000, respectively; and sales to Raytheon were $10,138,000 and $12,596,000, respectively. At December 31, 1999, trade receivables from Boeing, Lockheed Martin and Raytheon were $3,940,000, $1,906,000 and $1,819,000, respectively. The sales and receivables relating to Boeing, Lockheed Martin and Raytheon are diversified over a number of different commercial, space and military programs.

The Company's commercial business is represented on virtually all of today's major commercial aircraft. During 1999, sales for Boeing aircraft were lower, principally because of lower commercial aircraft production rates and what the Company believes are ongoing inventory reductions by Boeing and its major suppliers. Sales related to commercial business were approximately $84,943,000, or 58% of total sales in 1999.

Military components manufactured by the Company are employed in many of the country's front-line fighters, bombers, helicopters and support aircraft, as well as many land and sea-based vehicles. The Company's defense business is widely diversified among military manufacturers and programs. Sales related to military programs were approximately $44,919,000, or 31% of total sales in 1999. The C-17 program accounted for approximately $8,270,000 in sales in 1999.

In the space sector, the Company produces components for the expendable fuel tanks which help boost the Space Shuttle vehicle into orbit. Components are also produced for a variety of unmanned launch vehicles and satellite programs. Sales related to space programs were approximately $16,192,000, or 11% of total sales in 1999.

At December 31, 1999, backlog believed to be firm was approximately $213,100,000, compared to $138,200,000 at December 31, 1998. The backlog increase from December 31, 1998 was due primarily to the award of follow-on contracts by Lockheed Martin for the Space Shuttle program. These contracts, valued in excess of $93,000,000, extend the Company's scope of work through 2006. The Company also experienced backlog growth at December 31, 1999 of approximately $29,000,000 from the acquisitions of SMS and Parsons in 1999.

Gross profit, as a percentage of sales, decreased to 31.7% in 1999 from 33.3% in 1998. This decrease was primarily the result of changes in sales mix, pricing pressures from customers, and nonvariable production costs spread over lower sales.

Selling, general and administrative expenses, as a percentage of sales, were 14.9% in 1999, compared to 15.0% in 1998.

Goodwill amortization expense, as a percentage of sales, was 1.4% in 1999, compared to 0.8% in 1998. This increase was primarily the result of higher goodwill amortization expense related to the SMS and Parsons acquisitions in 1999.

Interest expense increased 388% to $610,000 in 1999 primarily due to higher debt levels in 1999 compared to 1998.

Income tax expense decreased to $8,448,000 in 1999, compared to $15,226,000 in 1998. The decrease in income tax expense was primarily due to the decrease in income before taxes and a decrease of $3,043,000 of income taxes related to the gain on the sale of 3dbm in 1998. Cash expended to pay income taxes decreased to $8,170,000 in 1999, compared to $9,464,000 in 1998, primarily as a result of taxes paid in 1998 on the gain on the sale of 3dbm.

Net income for 1999 was $13,444,000, or $1.28 diluted earnings per share, compared to $23,693,000, or $2.04 diluted earnings per share, in 1998. Net income for 1998 included an after-tax gain of $6,206,000, or $0.53 per diluted share, on the sale of the capital stock of 3dbm.

FINANCIAL CONDITION

Liquidity and Capital Resources - Cash flow from operating activities for 2000 was $20,687,000, compared to $18,655,000 in 1999. The increase in cash flow from operating activities resulted principally from a reduction in prepaid income taxes and increases in accounts payable and accrued and other liabilities, partially offset by lower net income and increases in accounts receivables and inventories. During 2000, the Company spent $10,803,000 on capital expenditures and $1,230,000 to repurchase shares of the Company's common stock, and repaid $8,186,000 of principal on outstanding borrowings.

In November 1999, the Company, through a wholly-owned subsidiary, acquired the assets and assumed certain liabilities of Parsons for $22,073,000 in cash. In April 1999, the Company acquired the capital stock of SMS for $10,096,000 in cash, net of cash acquired and payments of other liabilities of SMS, and a $1,500,000 note. In June 1998, the Company acquired the capital stock of AEI for $8,165,000 in cash and $1,900,000 in other liabilities. The acquisitions were funded from internally generated cash, notes and other accounts payable to sellers, and borrowings under the Company's credit agreement. These acquisitions strengthened the Company's position in the aerospace industry and added complementary lines of business.

In August 1998, the Company sold the capital stock of its wireless communications subsidiary, 3dbm, Inc. The subsidiary was sold for $17,250,000 in cash, resulting in a pretax gain of $9,249,000 on the sale.

The Company's bank credit agreement provides for a $100,000,000 unsecured revolving credit line declining to $60,000,000 at maturity on September 30, 2005. At December 31, 2000, the Company had $85,667,000 of unused lines of credit, after deducting $14,300,000 of loans outstanding and $33,000 for an outstanding standby letter of credit.

The Company continues to depend on operating cash flow and the availability of its bank credit agreement to provide short-term liquidity. Cash from operations and bank borrowing capacity are expected to provide sufficient liquidity to meet the Company's obligations during 2001.

Aggregate maturities of long-term debt during the next five years are as follows: 2001, $1,409,000; 2002, $1,375,000; 2003, $560,000; 2004, $2,010,000; 2005, $14,300,000.

The Company expects to spend less than $10,000,000 for capital expenditures in 2001. The Company believes that the ongoing subcontractor consolidation makes acquisitions an increasingly important component of the Company's future growth. Accordingly, the Company plans to continue to seek attractive acquisition opportunities and to make substantial capital expenditures for manufacturing equipment and facilities to support long-term contracts for both commercial and military aircraft and space programs.

Since 1998, the Company's Board of Directors has authorized the repurchase of up to $30,000,000 of its common stock. The Company repurchased in the open market 931,762 shares of its common stock in 1998 for a total of $14,652,000; 877,300 shares of its common stock in 1999 for a total of $9,414,000 and 109,900 shares of its common stock in 2000 for a total of $1,230,000. In April 1999, the Company cancelled 953,762 shares of treasury stock and in January 2000 cancelled 855,300 shares of treasury stock.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Ducommun's subsidiary, Aerochem, Inc. ("Aerochem"), is a major supplier of chemical milling services for the aerospace industry. Aerochem has been directed by California environmental agencies to investigate and take corrective action for groundwater contamination at its El Mirage, California facility (the "Site"). Aerochem expects to spend approximately $1 million for future investigation and corrective action at the Site, and the Company has established a provision for such costs. However, the Company's ultimate liability in connection with the Site will depend upon a number of factors, including changes in existing laws and regulations, and the design and cost of the construction, operation and maintenance of the corrective action.

Com Dev Consulting Ltd. ("Com Dev") has filed a complaint against the Company and certain of its officers relating to the sale of the capital stock of 3dbm by the Company to Com Dev in August 1998. The complaint seeks recovery of damages in excess of $10,000,000, restitution of the $17,250,000 purchase price paid for 3dbm and recovery of punitive damages, costs and attorneys' fees. A jury trial is currently scheduled for April 23, 2001. The Company intends to vigorously defend the matter. While it is not feasible to predict the outcome of this matter, the Company presently believes that the final resolution of the matter will not have a material adverse effect on its consolidated financial position or results of operations. However, because of the nature and inherent uncertainties of litigation, should the outcome of this matter be unfavorable, the Company may be required to pay damages and other expenses, which could have a material adverse effect on its consolidated financial position and results of operations.

In the normal course of business, Ducommun and its subsidiaries are defendants in certain other litigation, claims and inquiries, including matters relating to environmental laws. In addition, the Company makes various commitments and incurs contingent liabilities. While it is not feasible to predict the outcome of these matters, the Company does not presently expect that any sum it may be required to pay in connection with these matters would have a material adverse effect on its consolidated financial position or results of operations.

FUTURE ACCOUNTING REQUIREMENTS

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"). SFAS 133 will become effective for the Company in 2001. The adoption of SFAS 133 is not expected to have a material effect on the Company's financial position, results of operations or cash flow.

FORWARD LOOKING STATEMENT AND RISK FACTORS

Any forward-looking statements made in this Annual Report involve risks and uncertainties. The Company's future financial results could differ materially from those anticipated due to the Company's dependence on conditions in the airline industry, the level of new commercial aircraft orders, production rates for Boeing commercial aircraft, the C-17 and the Space Shuttle programs, the level of defense spending, competitive pricing pressures, technology and product development risks and uncertainties, product performance, risks associated with acquisitions and dispositions of businesses by the Company, increasing consolidation of customers and suppliers in the aerospace industry, availability of raw materials and components from suppliers, the outcome of the lawsuit brought by Com Dev, and other factors beyond the Company's control.

CONSOLIDATED STATEMENTS OF INCOME

Year ended December 31,	2000	1999	1998
(In thousands, except per share amounts)			
Net Sales	$ 165,711	$ 146,054	$ 170,772
Operating Costs and Expenses:			
Cost of goods sold	117,750	99,725	113,929
Selling, general and administrative expenses	22,804	21,791	25,603
Goodwill amortization expense	2,852	2,036	1,445
Total Operating Costs and Expenses	143,406	123,552	140,977
Operating Income	22,305	22,502	29,795
Interest Expense	(1,788)	(610)	(125)
Gain on Sale of Subsidiary	--	--	9,249
Income Before Taxes	20,517	21,892	38,919
Income Tax Expense	(7,797)	(8,448)	(15,226)
Net Income	$ 12,720	$ 13,444	$ 23,693
Earnings Per Share:			
Basic earnings per share	$ 1.32	$ 1.32	$ 2.13
Diluted earnings per share	1.30	1.28	2.04

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

December 31, (In thousands, except share data)	2000	1999
Assets		
Current Assets:		
Cash and cash equivalents	$ 100	$ 138
Accounts receivable (less allowance for doubtful accounts of $1,161 and $153)	20,844	20,022
Inventories	32,240	26,347
Deferred income taxes	3,624	2,698
Prepaid income taxes	134	1,864
Other current assets	3,326	3,335
Total Current Assets	60,268	54,404
Property and Equipment, Net	49,579	44,689
Deferred Income Taxes	165	--
Excess of Cost Over Net Assets Acquired (Net of Accumulated Amortization of $10,355 and $7,504)	39,056	41,895
Other Assets	1,296	814
	$ 150,364	$ 141,802
Liabilities and Shareholders' Equity		
Current Liabilities:		
Current portion of long-term debt	$ 1,409	$ 1,496
Accounts payable	11,552	8,135
Accrued liabilities	15,904	14,911
Total Current Liabilities	28,865	24,542
Long-Term Debt, Less Current Portion	18,245	26,344
Deferred Income Taxes	2,409	2,174
Other Long-Term Liabilities	1,316	900
Total Liabilities	50,835	53,960
Commitments and Contingencies		
Shareholders' Equity:		
Common stock -- $.01 par value; authorized 35,000,000 shares; issued 9,714,357 shares in 2000 and 10,423,810 shares in 1999	97	104
Additional paid-in capital	36,673	45,597
Retained earnings	63,989	51,269
Less common stock held in treasury -- 109,900 shares in 2000 and 855,300 shares in 1999	(1,230)	(9,128)
Total Shareholders' Equity	99,529	87,842
	$ 150,364	$ 141,802

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, (In thousands)	2000	1999	1998
Cash Flows from Operating Activities:			
Net Income	$ 12,720	$ 13,444	$ 23,693
Adjustments to Reconcile Net Income to Cash Provided by Operating Activities:			
Depreciation and amortization	8,750	6,846	5,868
Deferred income tax (benefit) provision	(856)	2,211	1,783
Income tax benefit related to the exercise of nonqualified stock options	703	193	1,375
Allowance for doubtful accounts	876	28	(234)
Gain on sale of subsidiary and other assets	--	(163)	(9,249)
Changes in Assets and Liabilities, Net of Effects From Acquisitions and Disposition:			
Accounts receivable	(1,698)	2,443	(1,564)
Inventories	(5,893)	(2,237)	4,313
Prepaid income taxes	1,730	(545)	1,594
Other assets	(473)	(891)	(613)
Accounts payable	3,417	60	(1,064)
Accrued and other liabilities	1,411	(2,734)	645
Net Cash Provided by Operating Activities	20,687	18,655	26,547
Cash Flows from Investing Activities:			
Purchase of Property and Equipment	(10,803)	(5,778)	(11,827)
Acquisition of Businesses	--	(32,169)	(8,165)
Proceeds from Sale of Subsidiary	--	--	17,250
Cash Payments Related to Sale of Subsidiary	--	--	(1,143)
Proceeds from Sale of Assets	--	310	233
Net Cash Used in Investing Activities	(10,803)	(37,637)	(3,652)
Cash Flows from Financing Activities:			
Net (Repayment) Borrowings of Long-Term Debt	(8,186)	19,556	(919)
Purchase of Common Stock for Treasury	(1,230)	(9,414)	(14,652)
Net Repurchases Related to Exercise of Stock Options	(506)	(88)	(414)
Net Cash (Used in) Provided by Financing Activities	(9,922)	10,054	(15,985)
Net (Decrease) Increase in Cash and Cash Equivalents	(38)	(8,928)	6,910
Cash and Cash Equivalents - Beginning of Year	138	9,066	2,156
Cash and Cash Equivalents - End of Year	$ 100	$ 138	$ 9,066
Supplemental Disclosures of Cash Flow Information:			
Interest Expense Paid	$ 1,769	$ 745	$ 401
Income Taxes Paid	$ 5,084	$ 8,170	$ 9,464

Supplemental information for Non-Cash Investing and Financing Activities:
See Note 2 for non-cash investing activities related to the acquisition of businesses

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT
OF CHANGES IN
SHAREHOLDERS' EQUITY

(In thousands, except share data)

	Shares Outstanding	Common Stock	Additional Paid-In Capital	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at January 1, 1998	7,454,198	$ 74	$ 59,497	$14,132	$ --	$ 73,703
Stock options exercised	198,550	2	981	--	--	983
Stock repurchased related to the exercise of stock options	(55,562)	--	(1,397)	--	--	(1,397)
Income tax benefit related to the exercise of nonqualified stock options	--	--	1,375	--	--	1,375
Adjustment for stock split	3,748,069	37	(37)	--	--	--
Common stock held in treasury	(931,762)	--	--	--	(14,652)	(14,652)
Net Income	--	--	--	23,693	--	23,693
Balance at December 31, 1998	10,413,493	113	60,419	37,825	(14,652)	83,705
Stock options exercised	52,475	1	190	--	--	191
Stock repurchased related to the exercise of stock options	(20,158)	--	(277)	--	--	(277)
Income tax benefit related to the exercise of nonqualified stock options	--	--	193	--	--	193
Common stock repurchased for treasury	(877,300)	--	--	--	(9,414)	(9,414)
Treasury stock retired	--	(10)	(14,928)	--	14,938	--
Net Income	--	--	--	13,444	--	13,444
Balance at December 31, 1999	9,568,510	104	45,597	51,269	(9,128)	87,842
Stock options exercised	313,025	3	1,171	--	--	1,174
Stock repurchased related to the exercise of stock options	(167,178)	(2)	(1,678)	--	--	(1,680)
Income tax benefit related to the exercise of nonqualified stock options	--	--	703	--	--	703
Common stock repurchased for treasury	(109,900)	--	--	--	(1,230)	(1,230)
Treasury stock retired	--	(8)	(9,120)	--	9,128	--
Net Income	--	--	--	12,720	--	12,720
Balance at December 31, 2000	9,604,457	$ 97	$ 36,673	$63,989	$ (1,230)	$ 99,529

See accompanying notes to consolidated financial statements.

NOTES TO
CONSOLIDATED
FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation: The consolidated financial statements include the accounts of the Company and its subsidiaries, after eliminating significant intercompany balances and transactions.

Cash Equivalents: Cash equivalents consist of highly liquid instruments purchased with original maturities of three months or less.

Revenue Recognition: Revenue, including sales under fixed price contracts, is recognized when persuasive evidence of an arrangement exists, the price is fixed or determinable, collection is reasonably assured and delivery of products has occurred or services have been rendered. The effects of revisions in contract value or estimated costs of completion are recognized over the remaining terms of the agreement. Provisions for estimated losses on contracts are recorded in the period identified.

Inventory Valuation: Inventories are stated at the lower of cost or market. Cost is determined based upon the first-in, first-out method. Costs on fixed price contracts in progress included in inventory represent accumulated recoverable costs less the portion of such costs allocated to delivered units and applicable progress payments received.

Property and Depreciation: Property and equipment, including assets recorded under capital leases, are recorded at cost. Depreciation and amortization are computed using the straight-line method over the estimated useful lives ranging from 2 to 40 years and, in the case of leasehold improvements, over the shorter of the lives of the improvements or the lease term.

Income Taxes: Income taxes are accounted for using an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns.

Excess of Costs Over Net Assets Acquired: The cost of acquired businesses in excess of the fair market value of their underlying net assets is amortized on the straight-line basis over periods ranging from 15 to 40 years. The Company assesses the recoverability of cost in excess of net assets of acquired businesses by determining whether the amortization of this intangible asset over its remaining life can be recovered through future operating cash flows.

Environmental Liabilities: Environmental liabilities are recorded when environmental assessments and/or remedial efforts are probable, and costs can be reasonably estimated. Generally, the timing of these accruals coincides with the completion of a feasibility study or the Company's commitment to a formal plan of action.

Earnings Per Share: Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding in each year. Diluted earnings per share is computed by dividing income available to common shareholders plus income associated with dilutive securities by the weighted average number of common shares outstanding plus any potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock in each year. In 2000, 1999 and 1998, income available to common shareholders was $12,720,000, $13,444,000 and $23,693,000, respectively. In 2000, 1999 and 1998, the weighted average number of common shares outstanding was 9,650,000, 10,209,000 and 11,149,000, respectively, and the dilutive shares associated with stock options were 111,000, 309,000 and 469,000, respectively.

Comprehensive Income: In June 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("SFAS 130"). SFAS 130 was effective for the Company during 1998. This statement divides comprehensive income into net income and other comprehensive income. The Company has no items of other comprehensive income in any period presented.

Use of Estimates: Certain amounts and disclosures included in the consolidated financial statements required management to make estimates which could differ from actual results.

NOTE 2. ACQUISITIONS AND DISPOSITION

In November 1999, the Company, through a wholly-owned subsidiary, acquired the assets and assumed certain liabilities of Parsons Precision Products, Inc. ("Parsons") for $22,073,000 in cash. Parsons is a leading manufacturer of complex titanium hot-formed subassemblies and components for commercial and military aerospace applications. In April 1999, the Company acquired the capital stock of Sheet Metal Specialties Company ("SMS") for $10,096,000 in cash, net of cash acquired and payments of other liabilities of SMS, and a $1,500,000 note. SMS is a manufacturer of subassemblies for commercial and military aerospace applications. In June 1998, the Company acquired the capital stock of American Electronics, Inc. ("AEI") for $8,165,000 in cash and $1,900,000 in other liabilities. AEI is a leading manufacturer of high-precision actuators, stepper motors, fractional horsepower motors and resolvers principally for space applications.

The acquisitions of Parsons, SMS and AEI were accounted for under the purchase method of accounting and, accordingly, the operating results for Parsons, SMS and AEI have been included in the consolidated statements of income since the dates of the respective acquisitions. The cost of the acquisitions was allocated on the basis of the estimated fair value of assets acquired and liabilities assumed. These acquisitions accounted for approximately $30,099,000 and $30,086,000 of the excess of cost over net assets acquired at December 31, 2000 and December 31, 1999, respectively, which is being amortized on a straight-line basis over 15 to 20 years.

The following table presents unaudited pro forma consolidated operating results for the Company for the years ended December 31, 1999 and December 31, 1998, as if the SMS and Parsons acquisitions had occurred as of the beginning of the periods presented.

NOTES TO
CONSOLIDATED
FINANCIAL STATEMENTS

(In thousands,except per share amounts)	1999	1998
Net sales	$159,838	$191,249
Net earnings	13,931	23,465
Basic earnings per share	1.36	2.10
Diluted earnings per share	1.32	2.02

The unaudited pro forma consolidated operating results of the Company are not necessarily indicative of the operating results that would have been achieved had the SMS and Parsons acquisitions been consummated at the beginning of the periods presented, and should not be construed as representative of future operating results.

In August 1998, the Company sold the capital stock of its wireless communications subsidiary, 3dbm, Inc. The subsidiary was sold for $17,250,000 in cash, resulting in a pretax gain of $9,249,000 on the sale.

NOTE 3. INVENTORIES

Inventories consist of the following:

December 31, (In thousands)	2000	1999
Raw materials and supplies	$ 9,827	$ 9,122
Work in process	21,912	16,614
Finished goods	1,630	2,192
	33,369	27,928
Less progress payments	1,129	1,581
Total	$32,240	$26,347

Work in process inventories include amounts under long-term fixed price contracts aggregating $13,979,000 and $10,975,000 at December 31, 2000 and 1999, respectively.

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

December 31, (In thousands)	2000	1999	Range of Estimated Useful Lives
Land	$ 9,690	$ 9,690	
Buildings and improvements	22,859	16,207	5 - 40 Years
Machinery and equipment	53,852	50,690	2 - 20 Years
Furniture and equipment	7,989	7,252	2 - 10 Years
Construction in progress	1,272	1,046	
	95,662	84,885	
Less accumulated depreciation and amortization	46,083	40,196	
Total	$49,579	$44,689	

Depreciation expense was $5,911,000, $5,071,000 and $4,423,000 for the years ended December 31, 2000, 1999 and 1998, respectively.

NOTE 5. ACCRUED LIABILITIES

Accrued liabilities consist of the following:

December 31, (In thousands)	2000	1999
Accrued compensation	$ 7,812	$ 7,147

Provision for environmental costs	2,175	2,111
Customer deposits	760	702
Accrued state franchise and sales tax	1,337	141
Other	3,820	4,810
Total	$15,904	$14,911

NOTE 6. LONG-TERM DEBT

Long-term debt is summarized as follows:

December 31, (In thousands)	2000	1999
Bank credit agreement	$14,300	$20,990
Term and real estate loans	3,679	4,175
Notes and other liabilities for acquisitions	1,675	2,675
Total debt	19,654	27,840
Less current portion	1,409	1,496
Total long-term debt	$18,245	$26,344

In September 2000, the Company signed a new $100,000,000 revolving credit facility with a group of banks. The agreement provides for a $100,000,000 unsecured revolving credit line declining to $60,000,000 at maturity on September 30, 2005. Interest is payable monthly on the outstanding borrowings based on the bank's prime rate (9.50% at December 31, 2000) plus a spread based on the leverage ratio of the Company calculated at the end of each fiscal quarter (0.00% at December 31, 2000). A Eurodollar pricing option is also available to the Company for terms of up to six months at the Eurodollar rate plus a spread based on the leverage ratio of the Company calculated at the end of each fiscal quarter (1.25% at December 31, 2000). At December 31, 2000, the Company had $85,667,000 of unused lines of credit, after deducting $14,300,000 of loans outstanding and $33,000 for an outstanding standby letter of credit. The credit agreement includes minimum interest coverage, maximum leverage, minimum EBITDA and minimum net worth covenants, an unused commitment fee based on the leverage ratio (0.25% per annum at December 31, 2000), and limitations on future dispositions of property, repurchases of common stock, outside indebtedness, capital expenditures and acquisitions.

The weighted average interest rate on borrowings outstanding was 7.89% and 7.09% at December 31, 2000 and 1999, respectively.

The carrying amount of long-term debt approximates fair value based on the terms of the related debt, recent transactions and estimates using interest rates currently available to the Company for debt with similar terms and remaining maturities.

Aggregate maturities of long-term debt during the next five years are as follows: 2001, $1,409,000; 2002, $1,375,000; 2003, $560,000; 2004, $2,010,000; 2005, $14,300,000.

NOTE 7. SHAREHOLDERS' EQUITY

At December 31, 2000 and 1999, no preferred shares were issued or outstanding.

Since 1998, the Company's Board of Directors has authorized the repurchase of up to $30,000,000 of its common stock. The Company repurchased in the open market 931,762 shares of its common stock in 1998 for a total of $14,652,000; 877,300 shares of its common stock in 1999 for a total of $9,414,000, and 109,900 shares of its common stock in 2000 for a total of $1,230,000. In April 1999 and January 2000, the Company cancelled 953,762 and 855,300 shares of treasury stock, respectively.

NOTE 8. STOCK OPTIONS

The Company has three stock option or incentive plans. Stock awards may be made to directors, officers and key employees under the stock plans on terms determined by the Compensation Committee of the Board of Directors or, with respect to directors, on terms determined by the Board of Directors. Stock options have been and may be granted to directors, officers and key employees under the stock plans at prices not less than 100% of the market value on the date of grant, and expire not more than ten years from the date of grant. The option price and number of shares are subject to adjustment under certain dilutive circumstances. At December 31, 2000 and 1999, options for 438,000 and 612,866 shares of common stock were exercisable, respectively.

The Company has adopted Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"). In accordance with the provisions of SFAS 123, the Company applies APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for its plans and does not recognize compensation expense for its stock-based compensation plans based on the fair value method. If the Company had elected to recognize compensation expense based upon the fair value at the grant date for awards under these plans consistent with the methodology prescribed by SFAS 123, the Company's net income and earnings per share would be reduced to the pro forma amounts indicated below:

Year ended December 31,		2000		1999		1998
(In thousands, except per share amounts)						
Net Income:						
As reported	$	12,720	$	13,444	$	23,693
Pro forma		12,229		12,851		23,150
Earnings per common share:						
As reported:						
Basic	$	1.32	$	1.32	$	2.13
Diluted		1.30		1.28		2.04
Pro forma:						
Basic	$	1.27	$	1.26	$	2.08
Diluted		1.25		1.22		1.99

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

These pro forma amounts may not be representative of future disclosures since the estimated fair value of stock options is amortized to expense over the vesting period, and additional options may be granted in future years. The fair value of these options was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions for 2000, 1999 and 1998, respectively: dividend yields of zero percent; expected monthly volatility of 39.23, 36.15 and 29.17 percent; risk-free interest rates of 6.53, 4.88 and 5.53 percent; and expected option life of four years for 2000, 1999 and 1998. The weighted average fair value of options granted during 2000, 1999 and 1998, for which the exercise price equals the market price on the grant date, was $4.24, $4.45 and $10.02.

At December 31, 2000, 110,876 common shares were available for future grants and 776,850 common shares were reserved for the exercise of outstanding options. Option activity during the three years ended December 31, 2000 was as follows:

	Number Of Shares	Weighted Average Exercise Price of Options Outstanding
Outstanding at January 1, 1998	920,787	$ 5.614
Granted	206,450	21.283
Exercised	(232,088)	4.237
Forfeited	(14,624)	17.177
Outstanding at December 31, 1998	880,525	9.479
Granted	200,000	12.593
Exercised	(52,475)	3.626
Forfeited	(24,138)	14.775
Outstanding at December 31, 1999	1,003,912	10.278
Granted	118,500	10.628
Exercised	(313,025)	3.751
Forfeited	(32,537)	15.187
Outstanding at December 31, 2000	776,850	$12.755

The following table summarizes information concerning currently outstanding and exercisable stock options:

Range of Exercise Prices	Number of Outstanding Options	Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$2.333 - $2.999	71,375	2.83	$ 2.333	71,375	$ 2.333
$3.000 - $4.999	27,500	1.00	3.083	27,500	3.083
$5.000 - $11.999	235,125	3.06	9.893	128,625	9.386
$12.000 - $17.999	265,200	3.61	13.358	121,675	13.817
$18.000 - $23.210	177,650	2.11	21.328	88,825	21.328
Total	776,850	2.94	$12.755	438,000	$11.494

NOTE 9. EMPLOYEE BENEFIT PLANS

The Company has an unfunded supplemental retirement plan that was suspended in 1986, but which continues to cover certain former executives. The accumulated benefit obligations under the plan at December 31, 2000 and December 31, 1999 were $549,000 and $567,000, respectively, which are included in accrued liabilities.

The Company provides certain health care benefits for retired employees. Employees become eligible for these benefits if they meet minimum age and service requirements, are eligible for retirement benefits and agree to contribute a portion of the cost. As of December 31, 2000, there were 124 current and retired employees and dependents eligible for such benefits. Eligibility for additional employees to become covered by retiree health benefits was terminated in 1988. The Company accrues postretirement health care benefits over the period in which active employees become eligible for such benefits. The accrued postretirement benefit cost under these plans is included in accrued liabilities.

The components of net periodic postretirement benefits cost for these plans are as follows:

Year ended December 31, (In thousands)	2000	1999	1998
Service cost	$ --	$ --	$ 1
Interest cost	98	87	92

Amortization of net transition obligation	84	84	84
Amortization of actuarial gain	(19)	(18)	(22)
Net periodic postretirement benefit cost	$ 163	$ 153	$ 155

The actuarial liabilities for these postretirement benefits are as follows:

December 31, (In thousands)	2000	1999
Beginning obligation (January 1)	$ 1,310	$ 1,398
Service cost	--	--
Interest cost	98	87
Actuarial gain	91	(106)
Benefits paid	(172)	(69)
Benefit obligation (December 31)	1,327	1,310
Unrecognized net transition obligation	(403)	(487)
Unrecognized prior service cost	--	--
Unrecognized net gain	380	490
Accrued benefit cost	$ 1,304	$ 1,313

The accumulated postretirement benefit obligations at December 31, 2000 and 1999 were determined using an assumed discount rate of 7.75% and 7.75%, respectively. For measurement purposes, an 11.0% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2001; the rate was assumed to decrease gradually to 6.00% in the year 2009 and remain at that level thereafter over the projected payout period of the benefits.

A 1% increase in the assumed annual health care cost trend rate would increase the present value of the accumulated postretirement benefit obligation at December 31, 2000 by $300, and the aggregate of the service and interest cost components of net periodic postretirement benefit cost for the year then ended by $24.

NOTE 10. LEASES

The Company leases certain facilities and equipment for periods ranging from 1 to 9 years. The leases generally are renewable and provide for the payment of property taxes, insurance and other costs relative to the property. Rental expense in 2000, 1999 and 1998, was $3,561,000, $3,487,000 and $3,483,000, respectively. Future minimum rental payments under operating leases having initial or remaining noncancelable terms in excess of one year at December 31, 2000 are as follows:

(In thousands)	Lease Commitments
2001	$2,996
2002	2,324
2003	1,336
2004	664
2005	556
Thereafter	315
Total	$8,191

NOTE 11. INCOME TAXES

The provision for income tax expense/(benefit) consists of the following:

Year ended December 31, (In thousands)	2000	1999	1998
Current tax expense:			
Federal	$ 7,686	$ 5,390	$11,355
State	967	847	2,088
	8,653	6,237	13,443
Deferred tax expense/(benefit):			
Federal	(589)	1,947	1,747
State	(267)	264	36
	(856)	2,211	1,783
Income Tax Expense	$ 7,797	$ 8,448	$15,226

NOTES TO
CONSOLIDATED
FINANCIAL STATEMENTS

Deferred tax assets (liabilities) are comprised of the following:

December 31, (In thousands)	2000	1999
Allowance for doubtful accounts	$ 477	$ 48
Employment-related reserves	1,416	1,527
Environmental reserves	769	741
Inventory reserves	1,197	787
State tax credit carryforwards	165	--
Warranty reserves	123	79
Other	615	507
	4,762	3,689
Depreciation	(3,383)	(3,165)
Net deferred tax assets	$ 1,379	$ 524

The principal reasons for the variation from the customary relationship between income taxes and income from continuing operations before income taxes are as follows:

Year ended December 31,	2000	1999	1998
Statutory federal income tax rate	35.0%	35.0%	35.0%
State income taxes (net of federal benefit)	3.3	3.3	4.1
Goodwill amortization	2.5	2.2	0.5
Benefit of foreign sales corporation	(0.5)	(0.8)	(0.4)
Benefit of state tax credit carryforwards	(0.8)	--	--
Other	(1.4)	(1.1)	(0.1)
Effective Income Tax Rate	38.0%	38.6%	39.1%

Note 12. Contingencies

Ducommun's subsidiary, Aerochem, Inc. ("Aerochem"), is a major supplier of chemical milling services for the aerospace industry. Aerochem has been directed by California environmental agencies to investigate and take corrective action for groundwater contamination at its El Mirage, California facility (the "Site"). Aerochem expects to spend approximately $1 million for future investigation and corrective action at the Site, and the Company has established a provision for such costs. However, the Company's ultimate liability in connection with the Site will depend upon a number of factors, including changes in existing laws and regulations, and the design and cost of the construction, operation and maintenance of the correction action.

Com Dev Consulting Ltd. ("Com Dev") has filed a complaint against the Company and certain of its officers relating to the sale of the capital stock of 3dbm by the Company to Com Dev in August 1998. The complaint seeks recovery of damages in excess of $10,000,000, restitution of the $17,250,000 purchase price paid for 3dbm and recovery of punitive damages, costs and attorneys' fees. A jury trial is currently scheduled for April 23, 2001. The Company intends to vigorously defend the matter. While it is not feasible to predict the outcome of this matter, the Company presently believes that the final resolution of the matter will not have a material adverse effect on its consolidated financial position or results of operations. However, because of the nature and inherent uncertainties of litigation, should the outcome of this matter be unfavorable, the Company may be required to pay damages and other expenses, which could have a material adverse effect on its consolidated financial position and results of operations.

In the normal course of business, Ducommun and its subsidiaries are defendants in certain other litigation, claims and inquiries, including matters relating to environmental laws. In addition, the Company makes various commitments and incurs contingent liabilities. While it is not feasible to predict the outcome of these matters, the Company does not presently expect that any sum it may be required to pay in connection with these matters would have a material adverse effect on its consolidated financial position or results of operations.

Note 13. Major Customers and Concentrations of Credit Risk

The Company provides proprietary products and services to most of the prime aerospace and aircraft manufacturers. As a result, the Company's sales and trade receivables are concentrated principally in the aerospace industry.

The Company had substantial sales to Boeing, Lockheed Martin and Raytheon. During 2000, 1999 and 1998, sales to Boeing were $61,109,000, $40,310,000 and $48,334,000, respectively; sales to Lockheed Martin were $12,685,000, $15,470,000 and $18,465,000, respectively; and sales to Raytheon were $14,242,000, $10,138,000 and $12,596,000, respectively. At December 31, 2000, trade receivables from Boeing, Lockheed Martin and Raytheon were $6,318,000, $1,390,000 and $1,826,000, respectively. The sales and receivables relating to Boeing, Lockheed Martin and Raytheon are diversified over a number of different commercial, space and military programs.

In 2000, 1999 and 1998, foreign sales to manufacturers worldwide were $26,267,000, $28,313,000 and $29,007,000, respectively. The Company had no sales to a foreign country greater than 5% of total sales in 2000, 1999 and 1998, respectively. The amounts of revenue, profitability and identifiable assets attributable to foreign operations are not material when compared with revenue, profitability and identifiable assets attributed to United States domestic operations during 2000, 1999 and 1998.

NOTE 14. QUARTERLY FINANCIAL DATA (UNAUDITED)

	2000				1999			
Three months ended	Dec 31	Sep 30	Jul 1	Apr 1	Dec 31	Oct 2	Jul 3	Apr 3
(in thousands,except per share amounts)								
Sales and Earnings								
Net Sales	$ 42,537	$ 40,881	$ 42,439	$ 39,854	$ 37,829	$ 37,218	$ 36,470	$ 34,537
Gross Profit	11,788	11,762	12,240	12,171	11,860	12,114	11,592	10,763
Income Before Taxes	5,242	5,290	5,259	4,726	4,994	5,908	5,647	5,343
Income Tax Expense	(1,992)	(2,010)	(1,999)	(1,796)	(1,814)	(2,238)	(2,258)	(2,138)
Net Income	$ 3,250	$ 3,280	$ 3,260	$ 2,930	$ 3,180	$ 3,670	$ 3,389	$ 3,205
Earnings Per Share:								
Basic	$ .34	$ .34	$ .34	$ .30	$ .32	$ .36	$ .33	$ .31
Diluted	$ .33	$ .33	$ .33	$ .30	$ .32	$ .35	$ .32	$ .30

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Ducommun Incorporated

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, of changes in shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Ducommun Incorporated and its subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PRICEWATERHOUSECOOPERS LLP

Los Angeles, California
February 20, 2001

CORPORATE INFORMATION

BOARD OF DIRECTORS

Joseph C. Berenato
Chairman of the Board,
President and Chief Executive Officer,
Ducommun Incorporated

Norman A. Barkeley
Chairman Emeritus

H. Frederick Christie
Consultant; Retired President
and Chief Executive Officer,
The Mission Group
(subsidiary of SCEcorp)

Eugene P. Conese, Jr.
President and Chief Executive Officer,
Aero Capital LLC

Ralph D. Crosby, Jr.
President,
Integrated Systems Sector
Northrop Grumman Corporation

Robert C. Ducommun
Management Consultant

Kevin S. Moore
President,
The Clark Estates, Inc.

Thomas P. Mullaney
General Partner,
Matthews, Mullaney & Company

OFFICERS

Joseph C. Berenato
Chairman of the Board,
President and Chief Executive Officer

Robert A. Borlet
Vice President, Manufacturing Operations

James S. Heiser
Vice President, Chief Financial Officer,
General Counsel, Secretary and Treasurer

Kenneth R. Pearson
Vice President, Human Resources

Michael W. Williams
Vice President, Corporate Development

Samuel D. Williams
Vice President and Controller

MAJOR SUBSIDIARIES

Jeffrey P. Abbott
President
Aerochem, Inc.

Paul L. Graham
President
Ducommun Technologies, Inc.

Robert B. Hahn
President
MechTronics of Arizona Corp.

Robert L. Hansen
President
AHF-Ducommun Incorporated

Richard A. Klisz
President
Brice Manufacturing Company, Inc.

COMMON STOCK

Ducommun Incorporated common stock is
listed on the New York Stock Exchange
(Symbol DCO)

FORM 10-K

A copy of the Annual Report on Form 10-K, filed with the Securities and Exchange Commission, may be obtained by shareholders without charge by writing to the Secretary of the Company

REGISTRAR AND TRANSFER AGENT

Mellon Investor Services L.L.C.
Overpeck Centre
85 Challenger Road
Ridgefield Park, NJ 07660
(800) 522-6645
www.mellon-investor.com

WORLD WIDE WEBSITE

www.ducommun.com

EXHIBIT 21

SUBSIDIARIES OF REGISTRANT

As of December 31, 2000, the active subsidiaries of the Company were:

Aerochem, Inc., a California corporation

AHF-Ducommun Incorporated, a California corporation

American Electronics, Inc., a California corporation

Brice Manufacturing Company, Inc., a California corporation

Ducommun Technologies, Inc., a California corporation

MechTronics of Arizona Corp., an Arizona corporation

Parsons Precision Products, Inc., a Delaware corporation

EXHIBIT 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-31777, 33-82164, 33-36415, 33-9383, 2-83732, 2-77309 and 2-64222) of Ducommun Incorporated of our report dated February 20, 2001 relating to the financial statements, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated February 20, 2001 relating to the financial statement schedule, which appears in Form 10-K.

PricewaterhouseCoopers LLP

Los Angeles, California
February 26, 2001