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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended October 2, 2010

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______to ______

Commission File Number 1-8174

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

Delaware **(State or other jurisdiction of incorporation or organization)**	**95-0693330** **(I.R.S. Employer Identification No.)**
23301 Wilmington Avenue, Carson, California **(Address of principal executive offices)**	**90745-6209** **(Zip Code)**

(310) 513-7200
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☒
Non–accelerated filer ☐	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of October 2, 2010, there were outstanding 10,499,293 shares of common stock.

DUCOMMUN INCORPORATED

FORM 10-Q
INDEX

Item 1. Financial Statements

DUCOMMUN INCORPORATED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In thousands)

	(Unaudited) October 2, 2010	December 31, 2009
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,787	$ 18,629
Accounts receivable	55,918	48,378
Unbilled receivables	3,138	4,207
Inventories	76,029	67,749
Production cost of contracts	16,879	12,882
Deferred income taxes	5,453	4,794
Other current assets	5,994	7,452
Total Current Assets	165,198	164,091
Property and Equipment, Net	59,607	60,923
Goodwill	100,442	100,442
Other Assets, Net	25,184	28,453
	$ 350,431	$ 353,909
Liabilities and Shareholders’ Equity		
Current Liabilities:		
Current portion of long-term debt	$ 188	$ 4,963
Accounts payable	33,389	39,434
Accrued liabilities	29,136	33,869
Total Current Liabilities	62,713	78,266
Long-Term Debt, Less Current Portion	21,108	23,289
Deferred Income Taxes	9,079	7,732
Other Long-Term Liabilities	7,816	10,736
Total Liabilities	100,716	120,023
Commitments and Contingencies		
Shareholders’ Equity:		
Common stock	106	106
Treasury stock	(1,924)	(1,924)
Additional paid-in capital	60,629	58,498
Retained earnings	194,050	180,760
Accumulated other comprehensive loss	(3,146)	(3,554)
Total Shareholders’ Equity	249,715	233,886
	$ 350,431	$ 353,909

See accompanying notes to consolidated financial statements.

DUCOMMUN INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

	For Three Months Ended October 2, 2010	For Three Months Ended October 3, 2009
Sales and Service Revenues:		
Product sales	$ 89,473	$ 95,227
Service revenues	9,970	14,676
Net Sales	99,443	109,903
Operating Costs and Expenses:		
Cost of product sales	72,041	76,015
Cost of service revenues	7,465	11,350
Selling, general and administrative expenses	13,705	12,647
Total Operating Costs and Expenses	93,211	100,012
Operating Income	6,232	9,891
Interest Expense, Net	(544)	(652)
Income Before Taxes	5,688	9,239
Income Tax Expense	85	(3,049)
Net Income	$ 5,773	$ 6,190
Earnings Per Share:		
Basic earnings per share	$ 0.55	$ 0.59
Diluted earnings per share	$ 0.55	$ 0.59
Weighted Average Number of Common Shares Outstanding:		
Basic	10,499	10,449
Diluted	10,583	10,491

See accompanying notes to consolidated financial statements.

DUCOMMUN INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

	For Nine Months Ended	
	October 2, 2010	October 3, 2009
Sales and Service Revenues:		
Product sales	$274,155	$277,993
Service revenues	32,481	47,090
Net Sales	306,636	325,083
Operating Costs and Expenses:		
Cost of product sales	219,708	228,217
Cost of service revenues	25,330	37,294
Selling, general and administrative expenses	39,484	37,591
Total Operating Costs and Expenses	284,522	303,102
Operating Income	22,114	21,981
Interest Expense, Net	(1,692)	(2,005)
Income Before Taxes	20,422	19,976
Income Tax Expense	(4,773)	(6,592)
Net Income	$ 15,649	$ 13,384
Earnings Per Share:		
Basic earnings per share	$ 1.49	$ 1.28
Diluted earnings per share	$ 1.48	$ 1.27
Weighted Average Number of Common Shares Outstanding:		
Basic	10,483	10,465
Diluted	10,564	10,502

See accompanying notes to consolidated financial statements.

DUCOMMUN INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	For Nine Months Ended October 2, 2010	For Nine Months Ended October 3, 2009
Cash Flows from Operating Activities:		
Net Income	$ 15,649	$ 13,384
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	10,070	10,291
Stock-based compensation expense	1,621	1,611
Deferred income tax provision	417	841
Income tax benefit from stock-based compensation	290	115
Excess tax benefit from stock-based compensation	(9)	—
Other - decrease/(increase)	182	(127)
Changes in Assets and Liabilities:		
Accounts receivable - (increase)	(7,432)	(10,257)
Unbilled receivables - decrease	1,069	2,824
Inventories - (increase)	(8,280)	(4,935)
Production cost of contracts - (increase)	(4,720)	(3,724)
Other assets - decrease	1,515	1,842
Accounts payable - (decrease)	(6,045)	(3,242)
Accrued and other liabilities - (decrease)	(7,042)	(17,269)
Net Cash Used in Operating Activities	(2,715)	(8,646)
Cash Flows from Investing Activities:		
Purchase of property and equipment	(5,054)	(5,930)
Net Cash Used in Investing Activities	(5,054)	(5,930)
Cash Flows from Financing Activities:		
(Repayment)/Borrowings of long-term debt	(6,943)	16,658
Cash dividends paid	(2,359)	(2,358)
Debt issue cost paid	—	(1,410)
Repurchase of stock	—	(938)
Net cash effect of exercise related to stock options	220	(61)
Excess tax benefit from stock-based compensation	9	—
Net Cash (Used in)/Provided by Financing Activities	(9,073)	11,891
Net Decrease in Cash and Cash Equivalents	(16,842)	(2,685)
Cash and Cash Equivalents - Beginning of Period	18,629	3,508
Cash and Cash Equivalents - End of Period	$ 1,787	$ 823

See accompanying notes to consolidated financial statements.

DUCOMMUN INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Summary of Significant Accounting Policies

Consolidation

The consolidated financial statements include the accounts of Ducommun Incorporated and its subsidiaries ("Ducommun" or the "Company"), after eliminating intercompany balances and transactions. The consolidated balance sheet is unaudited as of October 2, 2010, the consolidated statements of income are unaudited for the three months and nine months ended October 2, 2010 and October 3, 2009 and the consolidated statements of cash flows are unaudited for the nine months ended October 2, 2010 and October 3, 2009. The interim financial statements reflect all adjustments, consisting only of normal recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. The financial information included in this Form 10-Q should be read in conjunction with the Company's consolidated financial statements and related notes thereto included in the Form 10-K for the year ended December 31, 2009. The results of operations for the nine months ended October 2, 2010 are not necessarily indicative of the results to be expected for the full year ending December 31, 2010.

Ducommun operates in two business segments. Ducommun AeroStructures, Inc. ("DAS"), engineers and manufactures aerospace structural components and subassemblies. Ducommun Technologies, Inc. ("DTI"), designs, engineers and manufactures electromechanical components and subsystems, and provides engineering, technical and program management services (including design, development, integration and test of prototype products) principally for the aerospace and military markets. The significant accounting policies of the Company and its two business segments are as described below.

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 period. 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 dilutive shares that could be issued if exercised or converted into common stock in each period.

DUCOMMUN INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

The weighted average number of shares outstanding used to compute earnings per share is as follows:

	Three Months Ended		Nine Months Ended	
	October 2, 2010	October 3, 2009	October 2, 2010	October 3, 2009
Basic weighted average shares outstanding	10,499,000	10,449,000	10,483,000	10,464,000
Dilutive potential common shares	84,000	42,000	81,000	38,000
Diluted weighted average shares outstanding	10,583,000	10,491,000	10,564,000	10,502,000

The numerator used to compute diluted earnings per share is as follows:

	Three Months Ended		Nine Months Ended	
	October 2, 2010	October 3, 2009	October 2, 2010	October 3, 2009
Net earnings (total numerator)	$5,773,000	$6,190,000	$15,649,000	$13,384,000

The weighted average number of shares outstanding, included in the table below, is excluded from the computation of diluted earnings per share because the average market price did not exceed the exercise price. However, these shares may be potentially dilutive common shares in the future.

	Three Months Ended		Nine Months Ended	
	October 2, 2010	October 3, 2009	October 2, 2010	October 3, 2009
Stock options and stock units	510,732	828,950	520,222	811,667

Comprehensive Income

Certain items such as unrealized gains and losses on certain hedging instruments and pension liability adjustments are presented as separate components of shareholders’ equity. The current period change in these items is included in other comprehensive loss and separately reported in the financial statements. Accumulated other comprehensive loss, as reflected in the Consolidated Balance Sheets under the equity section, is comprised of a pension liability adjustment of $3,146,000, net of tax, at October 2, 2010, compared to a pension liability adjustment of $3,146,000, net of tax, and an interest rate hedge mark-to-market adjustment of $408,000, net of tax, at December 31, 2009.

DUCOMMUN INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

Recent Accounting Pronouncements

In February 2010, the FASB issued ASU 2010-09, "Amendments to Certain Recognition and Disclosure Requirements," ("ASU 2010-09") which amends ASC 855, "Subsequent Events," to address certain implementation issues related to any entity's requirement to perform and disclose subsequent-events procedures. ASU 2010-09 requires SEC filers to evaluate subsequent events through the date the financial statements are issued and exempts SEC filers from disclosing the date through which subsequent events have been evaluated. The ASU was effective immediately upon issuance. The adoption of ASU 2010-09 did not have a material impact on our consolidated financial statements.

In April 2010, the FASB issued updated guidance on the use of the milestone method of revenue recognition that applies to research of development transactions in which one or more payments are contingent upon achieving uncertain future events or circumstances. This update provides guidance on the criteria that should be met for determining whether the milestone method of revenue recognition is appropriate. This guidance is effective on a prospective basis for milestones achieved in fiscal years, and interim periods within those years, beginning on or after June 15, 2010. The Company is currently evaluating the impact of this guidance, and it has not yet determined the impact of the standard on its financial position or results of operations, if any.

Use of Estimates

Certain amounts and disclosures included in the consolidated financial statements required management to make estimates and judgments that affect the amounts of assets, liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. These estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Reclassifications

Certain prior period information has been reclassified to conform to the current period presentation.

DUCOMMUN INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

Note 2. Inventories

Inventories consist of the following:

	(In thousands)	
	October 2, 2010	December 31, 2009
Raw materials and supplies	$ 16,639	$ 18,547
Work in process	64,816	65,565
Finished goods	6,299	4,353
	87,754	88,465
Less progress payments	11,725	20,716
Total	$ 76,029	$ 67,749

Note 3. Long-Term Debt

Long-term debt is summarized as follows:

	(In thousands)	
	October 2, 2010	December 31, 2009
Bank credit agreement	$ 18,000	$ 20,000
Notes and other obligations for acquisitions	3,296	8,252
Total debt	21,296	28,252
Less current portion	188	4,963
Total long-term debt	$ 21,108	$ 23,289

At October 2, 2010, the Company had $101,550,000 of unused lines of credit, after deducting $450,000 for outstanding standby letters of credit. The Company had outstanding loans of $18,000,000 and was in compliance with all covenants at October 2, 2010. The weighted average interest rate on borrowings outstanding was 3.06% at October 2, 2010, compared to 4.98% at October 3, 2009. 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.

Note 4. Shareholders' Equity

At October 2, 2010, $2,773,030 remained available to repurchase common stock of the Company under stock repurchase programs as previously approved by the Board of Directors. The Company did not repurchase in the open market any of its common stock during the first nine months of 2010. The Company repurchased in the open market 74,300 shares for $938,000 of its common stock during the first nine months of 2009.

Note 5. Employee Benefit Plans

The Company has a defined benefit pension plan covering certain hourly employees of a subsidiary. Pension plan benefits are generally determined on the basis of the retiree's age and length of service. Assets of the defined benefit pension plan are composed primarily of fixed income and equity securities.

The components of net periodic pension cost for the defined benefit pension plan are as follows:

	(In thousands)			
	Three Months Ended		Nine Months Ended	
	October 2, 2010	October 3, 2009	October 2, 2010	October 3, 2009
Service cost	$ 116	$ 117	$ 347	$ 359
Interest cost	223	220	670	648
Expected return on plan assets	(233)	(172)	(699)	(572)
Amortization of actuarial loss	93	121	279	335
Net periodic post retirement benefit cost	$ 199	$ 286	$ 597	$ 770

Note 6. Indemnifications

The Company has made guarantees and indemnities under which it may be required to make payments to a guaranteed or indemnified party, in relation to certain transactions, including revenue transactions in the ordinary course of business. In connection with certain facility leases the Company has indemnified its lessors for certain claims arising from the facility or the lease. The Company indemnifies its directors and officers to the maximum extent permitted under the laws of the State of Delaware. However, the Company has a directors and officers insurance policy that may reduce its exposure in certain circumstances and may enable it to recover a portion of future amounts that may be payable, if any. The duration of the guarantees and indemnities varies and, in many cases is indefinite but subject to statute of limitations. The majority of guarantees and indemnities do not provide any limitations of the maximum potential future payments the Company could be obligated to make. Historically, payments related to these guarantees and indemnities have been immaterial. The Company estimates the fair value of its indemnification obligations as insignificant based on this history and insurance coverage and has, therefore, not recorded any liability for these guarantees and indemnities in the accompanying consolidated balance sheets. However, there can be no assurances that the Company will not have any future financial exposure under these indemnification obligations.

Note 7. Income Taxes

The Company records the interest charge and penalty charge, if any, with respect to uncertain tax positions as a component of tax expense. During the nine months ended October 2, 2010 and October 3, 2009, the Company recognized a benefit of approximately ($143,000) and expense of approximately $92,000, respectively, in interest related to uncertain tax positions. The Company had approximately $163,000 and $388,000 for the payment of interest and penalties accrued at October 2, 2010 and October 3, 2009, respectively.

DUCOMMUN INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

The Company's total amount of unrecognized tax benefits was approximately $1,148,000 and $2,569,000 at October 2, 2010 and October 3, 2009, respectively. These amounts, if recognized, would affect the annual income tax rate.

During 2008, the Company concluded the examination of its federal income tax returns for 2005 and 2006. The Company's California franchise (income) tax returns for 2004 and 2005 have been selected for examination. Management does not expect the results of this examination to have a material impact on the Company's financial statements. Federal income tax returns after 2006, California franchise (income) tax returns after 2005 and other state income tax returns after 2005 are subject to examination.

During 2010, the Company performed an analysis of its unrecognized tax benefits. This analysis resulted in the reduction of the Company's unrecognized tax benefits of approximately $1,589,000. The Company believes the remaining unrecognized tax benefits are fairly stated.

The Company's effective tax benefit for the third quarter of 2010 was 1.5%, as a result of the revision of the Company's estimate of its unrecognized tax benefits related to research and development tax credits, primarily as a result of recent favorable court cases. The Company's effective tax rate for the third quarter of 2009 was 33.0%. The Company's effective tax rate for the nine months of 2010 was 23.4%, compared to 33.0% in the nine months of 2009.

Note 8. Contingencies

The Company is a defendant in a lawsuit entitled United States of America ex rel Taylor Smith, Jeannine Prewitt and James Ailes v. The Boeing Company and Ducommun Inc., filed in the United States District Court for the District of Kansas (the "District Court"). The lawsuit is a qui tam action brought against The Boeing Company ("Boeing") and Ducommun on behalf of the United States of America for violations of the United States False Claims Act. The lawsuit alleges that Ducommun sold unapproved parts to the Boeing Commercial Airplanes-Wichita Division which were installed by Boeing in aircraft ultimately sold to the United States government. The number of Boeing aircraft subject to the lawsuit has been reduced to 25 aircraft following the District Court's granting of partial summary judgment in favor of Boeing and Ducommun. The lawsuit seeks damages, civil penalties and other relief from the defendants for presenting or causing to be presented false claims for payment to the United States government. Although the amount of alleged damages are not specified, the lawsuit seeks damages in an amount equal to three times the amount of damages the United States government sustained because of the defendants' actions, plus a civil penalty of $10,000 for each false claim made on or before September 28, 1999, and $11,000 for each false claim made on or after September 28, 1999, together with attorneys' fees and costs. The Company intends to defend itself vigorously against the lawsuit. The Company, at this time, is unable to estimate what, if any, liability it may have in connection with the lawsuit.

DAS has been directed by California environmental agencies to investigate and take corrective action for ground water contamination at its facilities located in El Mirage and Monrovia, California. Based on currently available information, the Company has established a reserve for its estimated liability for such investigation and corrective action in the approximate amount of $1,247,000. DAS also faces liability as a potentially responsible party for hazardous waste disposed at two landfills located in Casmalia and West Covina, California. DAS and other companies and government entities have entered into consent decrees with respect to each landfill with the United States Environmental Protection Agency and/or California environmental agencies under which certain investigation, remediation and maintenance activities are being performed. Based upon currently available information, the Company has established a reserve for its estimated liability in connection with the landfills in the approximate amount of $1,074,000. The Company's ultimate liability in connection with these matters will depend upon a number of factors, including changes in existing laws and regulations, the design and cost of construction, operation and maintenance activities, and the allocation of liability among potentially responsible parties.

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, results of operations or cash flows.

Note 9. Business Segment Information

The Company supplies products and services to the aerospace industry. The Company's subsidiaries are organized into two strategic businesses, each of which is a reportable operating segment. The accounting policies of the segments are the same as those of the Company. Ducommun AeroStructures, Inc. ("DAS"), engineers and manufactures aerospace structural components and subassemblies. Ducommun Technologies, Inc. ("DTI"), designs, engineers and manufactures electromechanical components and subsystems, and provides engineering, technical and program management services (including design, development, integration and test of prototype products) principally for the aerospace and military markets.

DUCOMMUN INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)
(Unaudited)

Financial information by operating segment is set forth below:

	(In thousands)			
	Three Months Ended		Nine Months Ended	
	October 2, 2010	October 3, 2009	October 2, 2010	October 3, 2009
Net Sales:				
Ducommun AeroStructures	$ 67,634	$ 74,456	$205,981	$216,362
Ducommun Technologies	31,809	35,447	100,655	108,721
Total Net Sales	$ 99,443	$109,903	$306,636	$325,083
Segment Operating Income (1)				
Ducommun AeroStructures	$ 6,725	$ 10,107	$ 23,343	$ 21,123
Ducommun Technologies	3,120	3,028	8,913	9,294
	9,845	13,135	32,256	30,417
Corporate General and Administrative Expenses	(3,613)(2)	(3,244)	(10,142)(2)	(8,436)
Total Operating Income	$ 6,232	$ 9,891	$ 22,114	$ 21,981

(1) Before certain allocated corporate overhead.
(2) Certain expenses, previously incurred at the operating segments, are now included in the corporate general and administrative expenses as a result of the Company's organizational changes.

Segment assets include assets directly identifiable with each segment. Corporate assets include assets not specifically identified with a business segment, including cash.

	(In thousands)	
	October 2, 2010	December 31, 2009
Total Assets:		
Ducommun AeroStructures	$236,036	$ 224,923
Ducommun Technologies	102,691	98,745
Corporate Administration	11,704	30,241
Total Assets	$350,431	$ 353,909

Table of Contents

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

Overview

Ducommun Incorporated ("Ducommun" or the "Company"), through its subsidiaries designs, engineers and manufactures aerostructure and electromechanical components and subassemblies, and provides engineering, technical and program management services principally for the aerospace industry. These components, assemblies and services are provided principally for domestic and foreign commercial and military aircraft, helicopter, missile and space programs.

Domestic commercial aircraft programs include the Boeing 737NG, 747, 767, 777 and 787. Foreign commercial aircraft programs include the Airbus Industrie A330 and A340 aircraft, Bombardier business and regional jets, and the Embraer 145 and 170/190. Major military programs include the Boeing C-17, F-15 and F-18 and Lockheed Martin F-16 and F-22 aircraft, and various aircraft and shipboard electronics upgrade programs. Commercial and military helicopter programs include helicopters manufactured by Boeing (principally the Apache and Chinook helicopters), United Technologies, Bell, Augusta and Carson. The Company also supports various unmanned space launch vehicle and satellite programs.

Sales, gross profit as a percentage of sales, selling, general and administrative expense as a percentage of sales, the effective tax rate and the diluted earnings per share in the third quarter and nine months of 2010 and 2009, respectively, were as follows:

	Third Quarter		Nine Months	
	2010	**2009**	**2010**	**2009**
Sales (in $000's)	$99,443	$109,903	$306,636	$325,083
Gross Profit % of Sales	20.0%	20.5%	20.1%	18.3%
SG&A Expense % of Sales	13.8%	11.5%	12.9%	11.6%
Operating Income % of Sales	6.2%	9.0%	7.2%	6.7%
Effective Tax Rate	-1.5%	33.0%	23.4%	33.0%
Diluted Earnings Per Share	$ 0.55	$ 0.59	$ 1.48	$ 1.27

The Company manufactures components and assemblies principally for domestic and foreign commercial and military aircraft, helicopter and space programs. The Company's Miltec subsidiary provides engineering, technical and program management services almost entirely for United States defense, space and homeland security programs.

The Company's mix of military, commercial and space business in the third quarter and nine months of 2010 and 2009, respectively, was approximately as follows:

	Third Quarter		Nine Months	
	2010	2009	2010	2009
Commercial				
Large Aircraft	21%	18%	21%	18%
Regional and Business Aircraft	8%	6%	7%	7%
Helicopter	7%	6%	7%	7%
Other	6%	3%	5%	4%
Total Commercial	42%	33%	40%	36%
Military				
Aircraft	23%	30%	26%	24%
Helicopter	22%	21%	20%	23%
Engineering Services	9%	12%	10%	13%
Other	3%	2%	2%	2%
Total Military	57%	65%	58%	62%
Space	1%	2%	2%	2%
Total	100%	100%	100%	100%

Sales for the third quarter of 2010 decreased 9.5% to $99,443,000, as compared to $109,903,000 for the third quarter of 2009. The decrease in sales for the third quarter of 2010 was due to lower year-over-year sales of engineering services and lower product sales for military aircraft programs.

Operating income for the third quarter of 2010 decreased 37.0% from the third quarter of 2009. Operating income for the third quarter of 2010 was negatively impacted by a decline in operating performance at DAS, which resulted principally from an unfavorable change in sales mix. In addition, operating income was also negatively impacted in the third quarter of 2010 by approximately $759,000, or 1.0 percentage point, due to the continuation of incremental start-up and development costs for several new programs which generated approximately $2,117,000 in sales.

Results of Operations

Third Quarter of 2010 Compared to Third Quarter of 2009

Net sales in the third quarter of 2010 were $99,443,000, compared to net sales in the third quarter of 2009 of $109,903,000. Net sales in the third quarter of 2010 decreased 9.5% from the same period last year primarily due to lower year-over-year sales of engineering services and lower product sales for military aircraft programs. The Company's mix of business in the third quarter of 2010 was approximately 57% military, 42% commercial, and 1% space, compared to 65% military, 33% commercial, and 2% space in the third quarter of 2009.

The Company had substantial sales, through both of its business segments, to Boeing, Raytheon, United Technologies and the United States government. During the third quarters of 2010 and 2009, sales to these customers were as follows:

	(In thousands) Third Quarter	
	October 2, 2010	October 3, 2009
Boeing	$ 26,476	$ 34,035
Raytheon	10,266	9,082
United Technologies	7,727	8,428
United States government	3,382	5,759
Total	$ 47,851	$ 57,304

At October 2, 2010, trade receivables from Boeing, Raytheon, United Technologies and the United States government were $11,892,000, $6,134,000, $3,072,000 and $1,466,000, respectively. The sales and receivables relating to Boeing, Raytheon, United Technologies and the United States government are diversified over a number of different commercial, space and military programs.

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 sea-based applications. Engineering, technical and program management services are provided principally for United States defense, space and homeland security programs. The Company's defense business is diversified among military manufacturers and programs. Sales related to military programs were approximately $56,403,000, or 57% of total sales, in the third quarter of 2010, compared to $71,329,000, or 65% of total sales, in the third quarter of 2009.

Military sales during the third quarters of 2010 and 2009 included the following:

	(In thousands) Third Quarter	
	October 2, 2010	October 3, 2009
Blackhawk	$ 11,457	$ 10,399
Engineering Services	9,284	13,218
C-17	8,028	11,363
Apache	6,627	8,624
F-18	5,593	8,054
F-15	3,777	1,391
Chinook	1,841	3,489
X-47B UCAS	—	5,362
Other	9,796	9,429
Total	$ 56,403	$ 71,329

The Company's commercial business is represented on many of today's major commercial aircraft. Sales related to commercial business were approximately $41,692,000, or 42% of total sales, in the third quarter of 2010, compared to $35,938,000, or 33% of total sales, in the third quarter of 2009. The increase in commercial sales in the third quarter of 2010 resulted principally from growth in sales for large aircraft and regional and business aircraft. Sales to the Boeing 737NG program accounted for approximately $11,371,000 in sales in the third quarter of 2010, compared to $11,316,000 in sales in the third quarter of 2009.

In the space sector, the Company produces components for a variety of unmanned launch vehicles and satellite programs and provides engineering services. Sales related to space programs were approximately $1,348,000, or 1% of total sales in the third quarter of 2010, compared to $2,636,000, or 2% of total sales in the third quarter of 2009. The decrease in sales for space programs resulted principally from a decrease in engineering services at DTI.

Gross profit, as a percent of sales, decreased to 20.0% in the third quarter of 2010, compared to 20.5% in the third quarter of 2009. Gross profit margins for the third quarter of 2010 were negatively impacted by a decline in operating performance at DAS, which resulted principally from an unfavorable change in sales mix and lower volume. Gross profit was also negatively impacted in the third quarter of 2010 by approximately $759,000, or 1.0 percentage point, due to the continuation of 2010 start-up and development costs for several new programs which generated approximately $2,117,000 in sales.

Selling, general and administrative ("SG&A") expenses increased to $13,705,000, or 13.8% of sales, in the third quarter of 2010, compared to $12,647,000, or 11.5% of sales, in the third quarter of 2009. The increase in SG&A expenses was primarily due to higher compensation costs and investment in product development programs.

Interest expense was $544,000 in the third quarter of 2010, compared to $652,000 in the third quarter of 2009, primarily due to lower debt levels and lower interest rates in the third quarter of 2010 compared to the third quarter of 2009.

The Company had an income tax benefit of $85,000 in the third quarter of 2010, compared to an income tax expense of $3,049,000 in the third quarter of 2009. The Company's effective tax benefit for the third quarter of 2010 was 1.5%, as a result of the revision of the Company's estimate of its unrecognized tax benefits related to research and development tax credits, primarily as a result of recent favorable court cases. The Company's effective tax rate for the third quarter of 2009 was 33.0%.

Nine Months of 2010 Compared to Nine Months of 2009

Net sales in the first nine months of 2010 were $306,636,000, compared to net sales in the first nine months of 2009 of $325,083,000. Net sales in the first nine months of 2010 decreased 5.7% from the same period last year primarily due to lower sales of engineering services and lower products sales for military helicopters, partially offset by growth in product sales of commercial aircraft programs. The Company's mix of business in the first nine months of 2010 was approximately 58% military, 40% commercial, and 2% space, compared to 62% military, 36% commercial, and 2% space in the first nine months of 2009.

The Company had substantial sales, through both of its business segments, to Boeing, Raytheon, United Technologies and the United States government. During the first nine months of 2010 and 2009, sales to these customers were as follows:

	(In thousands) Nine Months	
	October 2, 2010	October 3, 2009
Boeing	$ 83,056	$100,977
Raytheon	33,995	21,889
United Technologies	23,237	28,261
United States government	11,588	23,148
Total	$151,876	$174,275

At October 2, 2010, trade receivables from Boeing, Raytheon, United Technologies and the United States government were $11,892,000, $6,134,000, $3,072,000 and $1,466,000, respectively. The sales and receivables relating to Boeing, Raytheon, United Technologies and the United States government are diversified over a number of different commercial, space and military programs.

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 sea-based applications. Engineering, technical and program management services are provided principally for United States defense, space and homeland security programs. The Company's defense business is diversified among military manufacturers and programs. Sales related to military programs were approximately $177,423,000, or 58% of total sales, in the nine months of 2010, compared to $199,843,000, or 62% of total sales, in the nine months of 2009.

Military sales during the first nine months of 2010 and 2009 included the following:

	(In thousands) Nine Months	
	October 2, 2010	October 3, 2009
C-17	$ 28,199	$ 31,701
Blackhawk	31,406	28,876
Engineering Services	29,431	42,288
Apache	18,561	29,201
F-18	16,840	13,680
F-15	14,532	8,739
Chinook	8,362	13,191
X-47B UCAS	—	5,362
Other	30,092	26,805
Total	$177,423	$199,843

The Company's commercial business is represented on many of today's major commercial aircraft. Sales related to commercial business were approximately $124,390,000, or 40% of total sales, in the first nine months of 2010, compared to $117,292,000, or 36% of total sales, in the first nine months of 2009. The increase in commercial sales in the first nine months of 2010 resulted principally from growth in sales for large commercial aircraft programs. Sales to the Boeing 737NG program accounted for approximately $33,009,000 in sales in the first nine months of 2010, compared to $32,030,000 in sales in the first nine months of 2009.

In the space sector, the Company produces components for a variety of unmanned launch vehicles and satellite programs and provides engineering services. Sales related to space programs were approximately $4,823,000, or 2% of total sales in the first nine months of 2010, compared to $7,948,000, or 2% of total sales in the first nine months of 2009. The decrease in sales for space programs resulted principally from a decrease in engineering services at DTI.

Backlog is subject to delivery delays or program cancellations, which are beyond the Company's control. As of October 2, 2010, backlog believed to be firm was approximately $320,903,000, compared to $367,183,000 at December 31, 2009. The reduction in backlog is reflective of (i) late order releases on the C-17 program and Carson helicopter follow-on orders, (ii) a change in order release policy from Boeing and United Technologies from annual order releases to quarter over quarter releases and (iii) declines in the engineering services business resulting from lower RDT&E budgets, reduced demand for specific engineering services as a result of increases in government in-sourcing and reduced Congressional earmarks. Approximately $94,000,000 of total backlog is expected to be delivered during the fourth quarter of 2010.

Backlog at October 2, 2010 included the following programs:

	Backlog (In thousands)	
	October 2, 2010	December 31, 2009
Blackhawk Helicopter	$ 42,099	$ 22,925
737NG	41,578	53,349
F-18	31,827	24,807
Apache Helicopter	30,562	26,064
Carson Helicopter	19,682	22,926
C-17	10,421	29,564
F-15	7,256	17,964
	$183,425	$ 197,599

Trends in the Company's overall level of backlog, may not be indicative of trends in future sales because the Company's backlog is affected by timing differences in the placement of customer orders and because the Company's backlog tends to be concentrated in several programs to a greater extent than the Company's sales. The Company's backlog increased by $15,287,000 from the second quarter of 2010 to the third quarter of 2010.

Gross profit, as a percent of sales, increased to 20.1% in the first nine months of 2010, compared to 18.3% in the first nine months of 2009. Gross profit margins were negatively impacted in the first nine months of 2010 by approximately $3,653,000, or 1.5 percentage points, due to the continuation of incremental start-up and development costs on several new programs which generated approximately $7,998,000 in sales. In addition, gross profit for the first nine months of 2010 was favorably impacted by an adjustment to operating expenses of approximately $1,278,000, or 0.4 percentage points, relating to the reversal of certain accounts payable accruals recorded in prior periods. The Company determined that certain accounts payables that were accrued during the period from 2004 to 2010, in fact had been paid or were not otherwise owed to suppliers. The Company assessed the materiality of this reversal and concluded it was immaterial to previously reported annual and interim amounts. Gross profit for the first nine months of 2009 was negatively impacted by $5,141,000, or 1.7 percentage points of sales, due to an inventory reserve of $4,359,000 related to the Eclipse Aviation Corporation bankruptcy filing in March 2009 and an inventory valuation adjustment of $782,000.

Selling, general and administrative ("SG&A") expenses increased to $39,484,000, or 12.9% of sales, in the first nine months of 2010, compared to $37,591,000, or 11.6% of sales, in the first nine months of 2009. The increase in SG&A expenses was primarily due to higher expenses from the amortization of intangible assets of approximately $1,157,000 and higher compensation costs and investment in product development programs.

Interest expense was $1,692,000 in the first nine months of 2010, compared to $2,005,000 in the first nine months of 2009, primarily due to lower debt levels, partially offset by higher interest rates in the first nine months of 2010 compared to the first nine months of 2009.

Income tax expense decreased to $4,773,000 in the first nine months of 2010, compared to $6,592,000 in the first nine months of 2009. The decrease in income tax expense was due to the revision of the Company's estimate of its unrecognized tax benefits related to research and development tax credits, primarily as a result of recent favorable court cases. The Company's effective tax rate for the first nine months of 2010 was 23.4%, compared to 33.0% in the first nine months of 2009.

Financial Condition

Cash Flow Summary

Net cash used in operating activities for the first nine months of 2010 and 2009 was $2,715,000 and $8,646,000, respectively. Net cash used in operating activities for the first nine months of 2010 was impacted by an increase in accounts receivables of $7,432,000 primarily related to the timing of billings to customers and extension of payment terms by key customers, a reduction in accrued and other liabilities of $7,042,000 (consisting primarily of a $3,750,000 decrease in accrued bonuses, a $1,586,000 reduction in customer deposits and $1,706,000 reduction in other accrued liabilities), a decrease in accounts payable of $6,045,000, an increase in inventory of $8,280,000 and tooling production cost of contracts increases of $4,720,000, primarily related to work-in-process for production jobs scheduled to be shipped in 2010 and 2011 and a reduction in customer progress payments.

Net cash used in investing activities for the first nine months of 2010 consisted of $5,054,000 of capital expenditures.

Net cash used in financing activities for the first nine months of 2010 of $9,073,000 included approximately $6,943,000 of repayment of borrowings and $2,359,000 of dividend payments, partially offset by $220,000 of cash receipts related to the exercise of stock options.

Liquidity and Capital Resources

At October 2, 2010, the Company had $101,550,000 of unused lines of credit, after deducting $450,000 for outstanding standby letters of credit. The Company had outstanding loans of $18,000,000 and was in compliance with all covenants at October 2, 2010. The weighted average interest rate on borrowings outstanding was 3.06% at October 2, 2010, compared to 4.98% at October 3, 2009.

The Company continues to depend on operating cash flow and the availability of its bank line of credit 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 the next twelve months.

In connection with the DAS-New York acquisition in December 2008, the Company issued a promissory note in the initial principal amount of $7,000,000 with interest of 5% per annum payable annually on each anniversary of the closing date (December 23). Principal of the promissory note in the amount of $4,000,000 was paid on June 23, 2010, and $3,000,000 is payable on December 23, 2013.

The weighted average interest rate on borrowings outstanding was 3.06% at October 2, 2010, compared to 4.98% at October 3, 2009. 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.

The Company expects to spend approximately $9,000,000 for capital expenditures in 2010. The increase in capital expenditures in 2010 from 2009 is principally to support new contract awards at DAS and DTI. The Company believes the ongoing subcontractor consolidation makes acquisitions an increasingly important component of the Company's future growth. 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 programs.

During the first nine months of 2010, the Company's investment in tooling for various programs increased approximately $4,720,000. As part of the Company's strategic direction in moving to a Tier 2 supplier additional upfront investment in tooling will be required for newer programs which have higher engineering content and higher levels of complexity in assemblies.

Dividends are subject to the approval of the Board of Directors, and will depend upon the Company's results of operations, cash flows and financial position. The Company expects to continue to pay dividends of $0.075 per quarter per common share in 2010.

The Company has made guarantees and indemnities under which it may be required to make payments to a guaranteed or indemnified party, in relation to certain transactions, including revenue transactions in the ordinary course of business. In connection with certain facility leases, the Company has indemnified its lessors for certain claims arising from the facility or the lease. The Company indemnifies its directors and officers to the maximum extent permitted under the laws of the State of Delaware. However, the Company has a directors and officers insurance policy that may reduce its exposure in certain circumstances and may enable it to recover a portion of future amounts that may be payable, if any. The duration of the guarantees and indemnities varies and, in many cases, is indefinite but subject to statute of limitations. The majority of guarantees and indemnities do not provide any limitations of the maximum potential future payments the Company could be obligated to make. Historically, payments related to these guarantees and indemnities have been immaterial. The Company estimates the fair value of its indemnification obligations as insignificant based on this history and insurance coverage and has, therefore, not recorded any liability for these guarantees and indemnities in the accompanying consolidated balance sheets. However, there can be no assurances that the Company will not have any future financial exposure under these indemnification obligations.

As of October 2, 2010, the Company expects to make the following payments on its contractual obligations (in thousands):

		Payments Due by Period			
Contractual Obligations	Total	Remainder of 2010	2011-2013	2014-2016	After 2016
Long-term debt	$21,296	$ 11	$ 3,285	$18,000	$ —
Operating leases	15,334	1,267	10,374	2,833	860
Pension liability	9,983	764	2,607	2,972	3,640
Liabilities related to uncertain tax position	1,312	225	898	189	—
Future interest on notes payable and long-term debt	2,560	374	1,938	248	—
Total	$50,485	$ 2,641	$19,102	$24,242	$4,500

The Company is a defendant in a lawsuit entitled United States of America ex rel Taylor Smith, Jeannine Prewitt and James Ailes v. The Boeing Company and Ducommun Inc., filed in the United States District Court for the District of Kansas (the “District Court”). The lawsuit is a qui tam action brought against The Boeing Company (“Boeing”) and Ducommun on behalf of the United States of America for violations of the United States False Claims Act. The lawsuit alleges that Ducommun sold unapproved parts to the Boeing Commercial Airplanes-Wichita Division which were installed by Boeing in aircraft ultimately sold to the United States government. The number of Boeing aircraft subject to the lawsuit has been reduced to 25 aircraft following the District Court’s granting of partial summary judgment in favor of Boeing and Ducommun. The lawsuit seeks damages, civil penalties and other relief from the defendants for presenting or causing to be presented false claims for payment to the United States government. Although the amount of alleged damages are not specified, the lawsuit seeks damages in an amount equal to three times the amount of damages the United States government sustained because of the defendants’ actions, plus a civil penalty of $10,000 for each false claim made on or before September 28, 1999, and $11,000 for each false claim made on or after September 28, 1999, together with attorneys’ fees and costs. The Company intends to defend itself vigorously against the lawsuit. The Company, at this time, is unable to estimate what, if any, liability it may have in connection with the lawsuit.

DAS has been directed by California environmental agencies to investigate and take corrective action for ground water contamination at its facilities located in El Mirage and Monrovia, California. Based on currently available information, the Company has established a reserve for its estimated liability for such investigation and corrective action in the approximate amount of $1,247,000. DAS also faces liability as a potentially responsible party for hazardous waste disposed at two landfills located in Casmalia and West Covina, California. DAS and other companies and government entities have entered into consent decrees with respect to each landfill with the United States Environmental Protection Agency and/or California environmental agencies under which certain investigation, remediation and maintenance activities are being performed. Based upon currently available information, the Company has established a reserve for its estimated liability in connection with the landfills in the approximate amount of $1,074,000. The Company's ultimate liability in connection with these matters will depend upon a number of factors, including changes in existing laws and regulations, the design and cost of construction, operation and maintenance activities, and the allocation of liability among potentially responsible parties.

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, results of operations or cash flows.

Off-Balance Sheet Arrangements

The Company's off-balance sheet arrangements consist of operating leases and indemnities.

Recent Accounting Pronouncements

In February 2010, the FASB issued ASU 2010-09, "Amendments to Certain Recognition and Disclosure Requirements," ("ASU 2010-09") which amends ASC 855, "Subsequent Events," to address certain implementation issues related to any entity's requirement to perform and disclose subsequent-events procedures. ASU 2010-09 requires SEC filers to evaluate subsequent events through the date the financial statements are issued and exempts SEC filers from disclosing the date through which subsequent events have been evaluated. The ASU was effective immediately upon issuance. The adoption of ASU 2010-09 did not have a material impact on our consolidated financial statements.

In April 2010, the FASB issued updated guidance on the use of the milestone method of revenue recognition that applies to research of development transactions in which one or more payments are contingent upon achieving uncertain future events or circumstances. This update provides guidance on the criteria that should be met for determining whether the milestone method of revenue recognition is appropriate. This guidance is effective on a prospective basis for milestones achieved in fiscal years, and interim periods within those years, beginning on or after June 15, 2010. The Company is currently evaluating the impact of this guidance, and it has not yet determined the impact of the standard on its financial position or results of operations, if any.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company had no material market risk disclosures.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

The Company's chief executive officer and chief financial officer have concluded, based on an evaluation of the Company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)), that such disclosure controls and procedures were effective as of the end of the period covered by this report.

Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the nine months ended October 2, 2010 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

See Item 3 of the Company's Form 10-K for the year ended December 31, 2009 for a discussion of the lawsuit entitled United States of America ex rel Taylor Smith, Jeannine Prewitt and James Ailes v. The Boeing Company and Ducommun Inc.

Item 1A. Risk Factors

See Item 1A of the Company's Form 10-K for the year ended December 31, 2009 for a discussion of risk factors.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) Issuer Purchases of Equity Securities for the three months ended October 2, 2010

Period	Total Number of Shares (or Units) Purchase	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (1)
Period beginning July 4, 2010 and ending July 31, 2010	0	$ 0.00	0	$ 2,773,030
Period beginning August 1, 2010 and ending August 28, 2010	0	$ 0.00	0	$ 2,773,030
Period beginning August 29, 2010 and ending October 2, 2010	0	$ 0.00	0	$ 2,773,030
Total	0	$ 0.00	0	$ 2,773,030

(1) The Company did not repurchased in the open market any of its common shares during the third quarters of 2010 and 2009. At October 2, 2010, $2,773,030 remained available to repurchase common stock of the Company under stock repurchase programs previously approved by the Board of Directors.

Table of Contents

Item 6. Exhibits.

11	Reconciliation of Numerators and Denominators of the Basic and Diluted Earnings Per Share Computations
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements of the Securities 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
(Registrant)

By: /S/ JOSEPH P. BELLINO

Joseph P. Bellino
Vice President and Chief Financial Officer
(Duly Authorized Officer of the Registrant)

By: /S/ SAMUEL D. WILLIAMS

Samuel D. Williams
Vice President and Controller
(Chief Accounting Officer of the Registrant)

Date: November 1, 2010

Exhibit 11

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

	Quarter Ended October 2, 2010		
	Income (Numerator)	Shares (Denominator)	Per-Share Amount
Basic EPS			
Income Available to Common Stockholders	$5,773,000	10,499,000	$ 0.55
Effect of Dilutive Securities			
Stock Options	—	84,000	
Diluted EPS			
Income Available to Common Stockholders + Assumed Conversions	$5,773,000	10,583,000	$ 0.55

	Quarter Ended October 3, 2009		
	Income (Numerator)	Shares (Denominator)	Per-Share Amount
Basic EPS			
Income Available to Common Stockholders	$6,190,000	10,449,000	$ 0.59
Effect of Dilutive Securities			
Stock Options	—	42,000	
Diluted EPS			
Income Available to Common Stockholders + Assumed Conversions	$6,190,000	10,491,000	$ 0.59

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

	Nine Months Ended October 2, 2010		
	Income (Numerator)	Shares (Denominator)	Per-Share Amount
Basic EPS			
Income Available to Common Stockholders	$15,649,000	10,483,000	$ 1.49
Effect of Dilutive Securities			
Stock Options	—	81,000	
Diluted EPS			
Income Available to Common Stockholders + Assumed Conversions	$15,649,000	10,564,000	$ 1.48

	Nine Months Ended October 3, 2009		
	Income (Numerator)	Shares (Denominator)	Per-Share Amount
Basic EPS			
Income Available to Common Stockholders	$13,384,000	10,465,000	$ 1.28
Effect of Dilutive Securities			
Stock Options	—	37,000	
Diluted EPS			
Income Available to Common Stockholders + Assumed Conversions	$13,384,000	10,502,000	$ 1.27

Exhibit 31.1

Certification of Principal Executive Officer
Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002

I, Anthony J. Reardon, certify that:

1. I have reviewed this Quarterly Report of Ducommun Incorporated (the “registrant”) on Form 10-Q for the period ended October 2, 2010;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2010

/s/ Anthony J. Reardon

Anthony J. Reardon
President and Chief Executive Officer

Exhibit 31.2

Certification of Principal Financial Officer
Pursuant to Section 302 of the
Sarbanes-Oxley Act of 2002

I, Joseph P. Bellino, certify that:

1. I have reviewed this Quarterly Report of Ducommun Incorporated (the “registrant”) on Form 10-Q for the period ended October 2, 2010;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2010

/s/ Joseph P. Bellino
Joseph P. Bellino
Vice President and Chief Financial Officer

Exhibit 32

Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of
the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Ducommun Incorporated (the “Company”) on Form 10-Q for the period ending October 2, 2010 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, Anthony J. Reardon, President and Chief Executive Officer of the Company, and Joseph P. Bellino, Vice President and Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Anthony J. Reardon
Anthony J. Reardon
President and Chief Executive Officer

By: /s/ Joseph P. Bellino
Joseph P. Bellino
Vice President and Chief Financial Officer

Date: November 1, 2010

The foregoing certification is accompanying the Form 10-Q solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and is not being filed as part of the Form 10-Q or as a separate disclosure document.