GLAXOSMITHKLINE PLC
Form 6-K
July 24, 2018

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For period ending 24 July 2018

GlaxoSmithKline plc
(Name of registrant)

980 Great West Road, Brentford, Middlesex, TW8 9GS
(Address of principal executive offices)

Indicate by check mark whether the registrant files or
will file annual reports under cover Form 20-F or Form 40-F

Form 20-F x   Form 40-F

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Indicate by check mark whether the registrant by furnishing the
information contained in this Form is also thereby furnishing the
information to the Commission pursuant to Rule 12g3-2(b) under the
Securities Exchange Act of 1934.

Yes   No x

Issued: Tuesday 24 July 2018, London UK - LSE Announcement

ViiV Healthcare announces SWORD 100-week data for Juluca (dolutegravir/rilpivirine) at AIDS 2018

- Juluca, the first 2-drug regimen, once daily, single pill regimen, maintains viral suppression through 100 weeks

London, 24 July 2018 - ViiV Healthcare today presented 100-week results from its phase III programme evaluating the safety and efficacy of switching virologically-suppressed people living with HIV from a three or four-drug antiretroviral regimen to a 2-drug regimen of dolutegravir (ViiV Healthcare) and rilpivirine (Janssen Sciences Ireland UC, part of the Janssen Pharmaceutical Companies of Johnson & Johnson.)1 These results were presented at the 22nd International AIDS Conference taking place 23-27 July 2018 in Amsterdam.

John C. Pottage, Jr., MD, Chief Scientific and Medical Officer, ViiV Healthcare, commented, "As we progress further into a new era of HIV treatment, these 100-week data from the SWORD studies add to the growing evidence base for Juluca and 2-drug regimens. The results confirm the ability of Juluca to maintain efficacy over a 100-week period and importantly support that the long-term safety profile of this regimen is consistent with the respective labels of the component medicines. This 100-week data should provide physicians with further confidence that they may be able to reduce the number of antiretroviral drugs required to effectively maintain virologic suppression in their patient's HIV."

In pooled data from the SWORD 1 and SWORD 2 studies, 89% (456/513) of participants on the 2-drug regimen of dolutegravir and rilpivirine for 100 weeks (n=513) maintained viral suppression, with a viral load of less than 50 copies/mL. A low rate of snapshot virologic non-response was observed (n=13; 3%) and 6 participants met the confirmed virologic withdrawal criterion. Three participants failed with NNRTI mutations, one that had pre-existing NNRTI mutations at baseline developed resistance to rilpivirine and was withdrawn; no participants developed integrase inhibitor resistance. There were no new safety findings in the second year of the study. A total 34 participants (7%) experienced adverse events that led to withdrawal through week 100.1

In the 'late switch' arm (n=477), where participants continued on their current antiretroviral regimen until week 52 before switching to the 2-drug regimen of dolutegravir and rilpivirine, 93% (n=444) of participants maintained viral suppression through week 100. Two participants (<1%) met the confirmed virologic withdrawal criterion, and the safety profile of the late switch group was comparable to the early switch group (dolutegravir and rilpivirine from day 1 to week 100). 30 participants (6%) experienced serious adverse events and 15 participants (3%) experienced adverse events that led to withdrawal.1

The SWORD clinical programme is part of ViiV Healthcare's ongoing commitment to lessening the burden of HIV treatment on PLHIV through research into 2-drug regimens. The 48-week results from the SWORD studies were presented at CROI 2017 and later published in The Lancet.2 Data from the SWORD studies as well as a pivotal bioequivalence study3 has led to successful regulatory approval of the 2-drug regimen in the United States, European Union, Canada and Australia, marketed under the trade name Juluca.4,5,6,7

- Ends -

Notes to editors

About HIV

HIV stands for the Human Immunodeficiency Virus. Unlike some other viruses, the human body cannot get rid of HIV, so once someone has HIV they have it for life. There is no cure for HIV, but effective treatment can control the virus so that people with HIV can enjoy healthy and productive lives.

HIV has largely become a chronic treatable disease with improved access to antiretroviral treatment. This has led to a 22% drop in global HIV mortality between 2009 and 2013,8 but more can be done for the estimated 36.7 million people living with HIV9 of which 160,000 were newly diagnosed in the Europe region alone in 2016.10

About Juluca (dolutegravir/rilpivirine)

Juluca is ViiV Healthcare's first two-drug regimen (2DR), once-daily, single-pill that combines dolutegravir 50mg (ViiV Healthcare), the most widely prescribed integrase inhibitor (INI) worldwide, with the nucleoside reverse transcriptase inhibitor (NNRTI) rilpivirine 25mg (Janssen Sciences Ireland UC). Juluca was granted marketing authorisation by regulatory authorities in the United States in November 2017, the European Union and Canada in May 2018, and Australia in June 2018.4,5,6,7 ViiV Healthcare has also submitted regulatory marketing applications in other countries worldwide.

Juluca is indicated for the treatment of human immunodeficiency virus type 1 (HIV-1) infection in adults who are virologically suppressed (HIV-1 RNA < 50 copies/mL) on a stable antiretroviral regimen for at least six months with no history of virological failure and no known or suspected resistance to any NNRTI or INI.4

Two essential steps in the HIV life cycle include reverse transcription - when the virus turns its RNA (ribonucleic acid) copy into DNA (deoxyribonucleic acid) - and integration - the moment when viral DNA becomes part of the host cell's DNA. These processes require two enzymes called nucleoside reverse transcriptase and integrase. NNRTIs and INIs interfere with the action of these two enzymes to prevent the virus from replicating. This decrease in replication can lead to less virus being available to cause subsequent infection of uninfected cells.

About the SWORD phase III programme for Juluca

The SWORD phase III programme evaluates the efficacy, safety, and tolerability of switching to dolutegravir plus rilpivirine from current integrase inhibitor-, non-nucleoside reverse transcriptase inhibitor-, or boosted protease inhibitor-based antiretroviral regimen in HIV-1-infected adults who are virologically suppressed with a three or four-drug regimen.11,12 SWORD-1 (NCT02429791) and SWORD-2 (NCT02422797) are replicate 148-week, randomised, open-label, non-inferiority studies to assess the antiviral activity and safety of a 2-drug, daily oral regimen of dolutegravir plus rilpivirine compared with current antiretroviral therapy11,12 (the 148-week data will be shared in 2019). In the SWORD clinical trials, dolutegravir and rilpivirine are provided as individual tablets.11,12

The primary endpoint is the proportion of patients with plasma HIV-1 RNA <50 copies per millilitre (copies/mL) at week 48. Key secondary endpoints include evaluation of the development of viral resistance, measurements of safety and tolerability, and changes in renal, bone and cardiovascular biomarkers. The studies also include exploratory measures to assess change in health-related quality of life, willingness to switch and adherence to treatment regimens.11,12

For more information on the trials please visit www.clinicaltrials.gov.

Juluca and Tivicay are trademarks owned by the ViiV Healthcare group of companies.

Edurant is a registered trademark of Janssen Sciences Ireland UC.

U.S. IMPORTANT SAFETY INFORMATION: JULUCA (dolutegravir and rilpivirine) tablets

Professional Indication(s) and Important Safety Information

Indication and Usage for JULUCA
JULUCA is indicated as a complete regimen for the treatment of human immunodeficiency virus type 1 (HIV-1) infection in adults to replace the current antiretroviral regimen in those who are virologically suppressed (HIV-1 RNA <50 copies/mL) on a stable antiretroviral regimen for ≥6 months with no history of treatment failure and no known substitutions associated with resistance to the individual components of JULUCA.

Important Safety Information

CONTRAINDICATIONS
JULUCA is contraindicated in patients:

with previous hypersensitivity reaction to dolutegravir or rilpivirine.

receiving dofetilide, carbamazepine, oxcarbazepine, phenobarbital, phenytoin, rifampin, rifapentine, systemic dexamethasone (>1 dose), St. John's wort, and proton pump inhibitors (e.g., esomeprazole, lansoprazole, omeprazole, pantoprazole, and rabeprazole).

WARNINGS AND PRECAUTIONS

Skin and Hypersensitivity Reactions:

Hypersensitivity reactions have been reported with dolutegravir and were characterized by rash, constitutional findings, and sometimes organ dysfunction, including liver injury. These events were reported in <1% of subjects receiving dolutegravir in Phase 3 clinical trials.

Severe skin and hypersensitivity reactions have been reported during postmarketing experience, including cases of Drug Reaction with Eosinophilia and Systemic Symptoms (DRESS), with rilpivirine-containing regimens and have been accompanied by fever and/or organ dysfunctions including elevations in hepatic serum biochemistries.

Discontinue JULUCA immediately if signs or symptoms of severe skin or hypersensitivity reactions develop (such as severe rash or rash accompanied by fever, general malaise, fatigue, muscle or joint aches, blisters or peeling of the skin, mucosal involvement, conjunctivitis, facial edema, hepatitis, eosinophilia, angioedema, and difficulty breathing), as a delay in stopping treatment may result in a life-threatening reaction. Clinical status, including laboratory parameters with liver aminotransferases, should be monitored and appropriate therapy initiated.

Hepatotoxicity:

Hepatic adverse events have been reported, including cases of hepatic toxicity, in patients without pre-existing hepatic disease or other identifiable risk factors.

Patients with underlying hepatitis B or C or marked elevations in transaminases prior to treatment may be at increased risk for worsening or development of transaminase elevations. In some cases, the elevations in transaminases were consistent with immune reconstitution syndrome or hepatitis B reactivation, particularly in the setting where anti-hepatitis therapy was withdrawn.

Monitoring for hepatotoxicity is recommended.

Depressive Disorders:

Depressive disorders (including depressed mood, depression, dysphoria, major depression, mood altered, negative thoughts, suicide attempt, and suicidal ideation) have been reported.

Promptly evaluate patients with severe depressive symptoms.

Risk of Adverse Reactions or Loss of Virologic Response Due to Drug Interactions:

The concomitant use of JULUCA and other drugs may result in known or potentially significant drug interactions, see Contraindications and Drug Interactions sections. Rilpivirine doses 3 and 12 times higher than the recommended dose can prolong the QTc interval. Consider alternatives to JULUCA when coadministered with a drug with a known risk of Torsade de Pointes. Consider the potential for drug interactions prior to and during therapy with JULUCA and monitor for adverse reactions.

ADVERSE REACTIONS: Most common adverse reactions with JULUCA (incidence ≥2%, all Grades) were diarrhea (2%) and headache (2%).

DRUG INTERACTIONS

Because JULUCA is a complete regimen, coadministration with other antiretroviral medications for the treatment of HIV-1 infection is not recommended.

Drugs that induce or inhibit CYP3A or UGT1A1 may affect the plasma concentrations of the components of JULUCA.

Drugs that increase gastric pH or containing polyvalent cations may decrease plasma concentrations of the components of JULUCA.

Consider alternatives to prescribing JULUCA with drugs with a known risk of Torsade de Pointes.

Consult the full Prescribing Information for JULUCA for more information on potentially significant drug interactions, including clinical comments.

USE IN SPECIFIC POPULATIONS

Pregnancy: There are insufficient prospective pregnancy data to adequately assess the risk of birth defects and miscarriage. An Antiretroviral Pregnancy Registry has been established.

Lactation: Breastfeeding is not recommended due to the potential for HIV-1 transmission and the potential for adverse reactions in nursing infants.

DOSAGE AND ADMINISTRATION

Dosage: 1 tablet taken orally once daily with a meal for adult patients.

Recommended Dosage of JULUCA with Rifabutin Coadministration: Take an additional 25-mg tablet of rilpivirine with JULUCA once daily with a meal for the duration of the rifabutin coadministration.

Full US prescribing information including is available at:
https://www.gsksource.com/pharma/content/dam/GlaxoSmithKline/US/en/Prescribing_Information/Juluca/pdf/JULUCA-PI-PI
For the EU Summary of Product Characteristics, please visit:
https://www.medicines.org.uk/emc/product/9246

About ViiV Healthcare
ViiV Healthcare is a global specialist HIV company established in November 2009 by GlaxoSmithKline (LSE: GSK) and Pfizer (NYSE: PFE) dedicated to delivering advances in treatment and care for people living with HIV and for people who are at risk of becoming infected with HIV. Shionogi joined in October 2012. The company's aim is to take a deeper and broader interest in HIV/AIDS than any company has done before and take a new approach to deliver effective and innovative medicines for HIV treatment and prevention, as well as support communities affected by HIV.
For more information on the company, its management, portfolio, pipeline, and commitment, please visit www.viivhealthcare.com.

About GSK
GSK - one of the world's leading research-based pharmaceutical and healthcare companies - is committed to improving the quality of human life by enabling people to do more, feel better and live longer. For further information please visit www.gsk.com.

Cautionary statement regarding forward-looking statements
ViiV Healthcare Limited, the global specialist HIV company, is majority owned by GlaxoSmithKline plc, with Pfizer Inc. and Shionogi Limited. GSK cautions investors that any forward-looking statements or projections made by GSK, including those made in this announcement, are subject to risks and uncertainties that may cause actual results to differ materially from those projected. Such factors include, but are not limited to, those described under Item 3.D 'Principal risks and uncertainties' in the company's Annual Report on Form 20-F for 2017.

ViiV Healthcare Media enquiries:	Patricia O'Connor	+44 (0) 208 047 5982
GSK Global Media enquiries:	Simon Steel	+44 (0) 20 8047 5502
Analyst/Investor enquiries:	Sarah Elton-Farr	+44 (0) 20 8047 5194
	Danielle Smith	+44 (0) 20 8047 0932
	James Dodwell	+44 (0) 20 8047 2406
	Jeff McLaughlin	+1 215 751 7002

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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 authorised.

GlaxoSmithKline plc
(Registrant)

Date: July 24, 2018

By: VICTORIA WHYTE

Victoria Whyte
Authorised Signatory for and on
behalf of GlaxoSmithKline plc

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The Human Resources Committee oversees compensation for the Company's Chief Executive Officer and other senior executives. In doing so, the Committee is responsible for considering and approving the annual salary and incentive compensation, including performance awards under the 2004 Long Term Incentive Plan, and other benefits of executive management. To assist the Committee and its direction, the Company has contracted with Hay Group, an independent compensation and benefits consulting firm that periodically evaluates the compensation of the Company's executive management. Hay Group's specific scope is to evaluate the relative position of the compensation of the Company's officers in the market place.

Consistent with past practice, the Chief Executive Officer considers the evaluations of Hay Group in light of the compensation philosophies described in the "Compensation Discussion and Analysis" section below and makes recommendations to the Committee regarding proposed salary changes, annual incentive payments and awards under the Company's 2004 Long Term Incentive Plan, if any, for members of executive management. The Committee considers this input from the Chief Executive Officer and the recommendation of the Hay Group, as well as other factors it believes are relevant, and determines the compensation packages of the named executive officers, including the Chief Executive Officer.

Compensation Committee Interlocks and Insider Participation

None of the Company's executive officers serves as a Director or member of the Compensation Committee, or other Committee serving an equivalent function, of any other entity that has one or more of its executive officers serving as a member of the Company's Board of Directors or the Human Resources Committee. None of the current members of the Human Resources Committee has ever been an officer or employee of the Company or any of its subsidiaries.

Communication with the Board of Directors

Stockholders may communicate with any and all members of the Company's Board of Directors by transmitting correspondence by mail addressed to one or more directors by name (or to the Chief Executive Officer for a communication addressed to the entire Board of Directors) at the following address and fax number: Name of the Director(s), c/o Corporate Secretary, LaBarge, Inc., 9900 Clayton Road, St. Louis, Missouri 63124, fax number: 314-812-9438. Communications from the Company's Stockholders to one or more directors will be monitored by the Company's Corporate Secretary and the Chief Executive Officer, who will bring any significant issues to the attention of the appropriate Board members.

Director Nominations

Director candidates are nominated by the Nominating Committee. The Nominating Committee investigates and assesses the background and skills of potential candidates for directors. The Committee seeks to create a Board that will bring a broad range of experience, knowledge and judgment to the Company. The Committee does not have specific minimum qualifications that must be met by a candidate for election to the Board of Directors in order to be considered for nomination by the Committee. When the Committee reviews a potential new candidate, the Committee looks specifically at the candidate's qualifications in light of the needs of the Board and the Company at that time given the current mix of Director attributes.

Upon identifying a candidate for serious consideration, one or more members of the Nominating Committee initially interview the candidate. If a candidate merits further consideration, all other Committee members (individually or as a group) interview the candidate and the candidate meets the Company's executive officers and ultimately meets many of the other directors. The Nominating Committee elicits feedback from all persons who met the candidate and then determines whether or not to nominate the candidate. The process is the same whether the candidate is recommended by a Stockholder, another Director, management or otherwise. The Company does not pay a fee to any third party for the identification or evaluation of candidates.

Stockholders who wish to recommend Director candidates for the next Annual Meeting of Stockholders should notify the Nominating Committee no later than March 15th of each year. Submissions are to be addressed to the Nominating Committee, c/o Corporate Secretary, LaBarge, Inc., 9900 Clayton Road, St. Louis, Missouri 63124, which submissions will then be forwarded to the Committee. The Nominating Committee would then evaluate the possible nominee using the criteria established by it and would consider such person in comparison to all other candidates. The Nominating Committee is not obligated to nominate any such individual for election. No Stockholder nominations have been received by the Company for this year's Annual Meeting. Accordingly, no rejections or refusals of such candidates have been made by the Company.

Executive Officers and Executive Compensation

The following table sets forth certain information, as of September 21, 2007, with respect to the executive officers of the Company.

Name

Age

Position(s) with the Company

Craig E. LaBarge

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56

Chief Executive Officer, President and Director

Randy L. Buschling

…………

47

Vice President and Chief Operating Officer

Donald H. Nonnenkamp

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55

Vice President, Chief Financial Officer and Secretary

William D. Bitner

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52

Vice President, Operations

Teresa K. Huber

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Vice President, Operations

John R. Parmley

……………

53

Vice President, Sales and Marketing

Mr. LaBarge — For biographical information, see “Proposal 1: Election of Directors” on page 2.

Mr. Buschling joined the Company in 1998. He is currently Vice President and Chief Operating Officer of the Company. He served as Senior Vice President of the Company’s Manufacturing Services Group from 1999 to 2002 and as Vice President, Aerospace and Defense Business Unit from 1998 to 1999. Prior to joining the Company, Mr. Buschling was General Manager of Watlow Electric Manufacturing Company’s Systems Division for more than five years.

Mr. Nonnenkamp joined the Company in 1999 and currently serves as Vice President, Chief Financial Officer and Secretary. Previously, he was Vice President and Treasurer for Esco Technologies, Inc. from 1993 to 1999. Prior to joining Esco, Mr. Nonnenkamp served as Vice President and Chief Financial Officer for Clark Oil and Refining Corporation.

Mr. Bitner joined the Company in January 2007and began serving as Vice President, Operations. Prior to joining LaBarge, Mr. Bitner was Vice President and General Manager of Burger Boat Company from 2005 to 2006. Previously, he was employed by Rolls-Royce Corporation in various management positions from 2000 to 2005.

Ms. Huber joined the Company in 2004 through the acquisition of Pinnacle Electronics LLC on February 17, 2004 and became Vice President, Operations in 2005. Prior to joining LaBarge as Vice President, Ms. Huber was Chief Operating Officer of Pinnacle Electronics from 2002 to 2004. Previously, Ms. Huber was employed by Sony Electronics, Inc. in various management positions from 1992 to 2002.

Mr. Parmley joined the Company in 1997 and became Vice President, Sales and Marketing for the Manufacturing Services Group in 1999. He was Account Manager, Aerospace and Defense Business Unit from 1997 to 1999. Previously, Mr. Parmley was employed by Eagle-Picher Industries, Inc., where he served in various sales and management positions from 1991 to 1997.

Compensation Discussion and Analysis

Executive Compensation Objectives and Philosophy

The fundamental objectives of our executive compensation program are to attract and retain talented executives; align executive compensation with the interests of our stockholders; foster and promote the short-term and long-term financial success of the Company; materially increase stockholder value by motivating performance through incentive compensation; and, encourage executive ownership in the Company. These objectives are furthered by a compensation philosophy that is based on the following:

- Competition with peer companies: Compensation packages should be competitive and consistent with the general market. As such, the Human Resources Committee works with its compensation and benefits consultant to design compensation packages that fall within certain ranges compared with competitive companies, with sufficient flexibility to address individual responsibilities and performance.
- Accountability and recognition for individual and company performance: Compensation should depend, in part, on each executive officer's performance in order to motivate and reward success. The Committee has provided for a sizeable portion of the overall compensation packages to be tied to performance through the payments of short-term incentive awards in the form of cash bonuses and the grant of long-term incentive awards in the form of performance units that are settled in restricted Common Stock.
- Alignment of stockholder interests: Certain elements of the compensation packages should be tied to stock performance to align our executive officers' interests with those of our stockholders. In order to create this tie, a portion of the compensation packages include stock-based awards in the form of performance units that are settled in restricted Common Stock.

Compensation Determination Process

Our Human Resources Committee serves as our compensation committee and is responsible for considering and approving the annual salary, incentive compensation and other benefits of our Chief Executive Officer and other members of executive management. The Committee is made up of independent directors and typically meets following each fiscal year-end to: (i) consider and approve salary changes and annual incentive bonuses, if any; (ii) determine and approve long-term incentive awards, if any; and (iii) establish goals for both the annual and long-term incentive programs.

To assist the Committee in evaluating and determining executive compensation, the Company, at the direction of the Committee, has retained the services of Hay Group, a highly regarded international independent compensation and benefits consulting firm. Hay Group periodically evaluates the executive officer positions, measuring each position on the practical and technical skills required; problem-solving environment and challenges faced; and accountability and decision-making impact. The evaluation of all of these factors results in a point total for each executive officer position ("Hay Points") which allows the Committee and Hay Group to rank the positions and measure the distance between jobs within the Company.

Hay Group uses the Hay Points to compare the compensation of the Company's executive officers with the compensation of officers who hold positions with similar Hay Points in companies comprising the Hay General Industry Market, a group of approximately 800 industrial companies throughout the United States, 40% of which are manufacturing companies. Using this comparison, Hay Group constructs median ranges of base salaries, base salaries plus annual incentive bonus opportunities ("Total Cash Compensation") and total compensation, which includes Total Cash Compensation and long-term incentives, for each of the Company's executive officer positions. The actual compensation of the Company's executive officers, and the relative position within the median ranges, is dependent on individual performance, Company performance versus established goals and other factors, as described herein.

The Committee believes that base salaries, Total Cash Compensation and total compensation should approximate the median of the Hay General Industry Market for performance at target levels, in furtherance of our compensation principles noted above. Other than the specific Company performance criteria considered in determining the annual and long-term incentive payments, our compensation programs are flexible, although we do rely on the Hay Group market analyses to ensure that our compensation practices remain equitable and competitive. For example, individual performance, expertise and experience are all considered when determining each element of total compensation.

The Committee considers the specific threshold, target and maximum Company performance levels relating to fiscal 2007 to be confidential, the disclosure of which would cause the Company competitive harm. Target goals relating to the Company’s annual and long-term incentives are set at aggressive levels each year to motivate executive officers to succeed and focus on longer-term financial objectives. These targets, individually or together, are designed to be challenging and as such, the Committee believes that the Company’s target performance would not be achieved all of the time. Furthermore, the Committee believes that reaching maximum levels, and therefore the maximum payout, would be achieved less often than reaching the target performance levels, but recognizes that the payout should be appropriate for the performance, regardless of how often it may happen.

The mix of our cash and non-cash compensation, and short and long-term compensation, is not subject to a specific policy. Instead, the Committee considers the current trends in the market based on the Hay Group data in light of our compensation philosophies and objectives outlined above, and makes gradual changes over time as necessary to further these compensation goals.

Each year, taking into account the evaluations of Hay Group, current performance and the Company’s compensation objectives, the Chief Executive Officer makes recommendations to the Committee regarding proposed salary changes, annual incentive bonuses and long-term incentive awards, if any, for each executive officer. The Chief Executive Officer also assists the Committee in setting Company performance goals on which part of each officer’s total compensation is based. The Committee considers this input from the Chief Executive Officer and the recommendations of the Hay Group, as well as other factors it believes are relevant, and determines the compensation packages of the executive officers, including the Chief Executive Officer.

Elements of Compensation

Base Salaries:

In line with the Company’s philosophy that compensation should be competitive, the Committee aims for base salaries to approximate the median of the Hay General Industry Market. As such, changes in executive officer salaries are, in part, market-driven. However, salaries are also dependent on individual evaluations conducted each year by the Committee. During this process, the Chief Executive Officer provides input to the Committee. No specific individual performance criteria are or have been established by the Committee. Rather, each executive officer, including the Chief Executive Officer, is evaluated based on (i) general individual performance over the past year; (ii) the scope of each officer’s duties and responsibilities; and (iii) experience and expertise.

Fiscal 2007 salaries are disclosed in the 2007 Summary Compensation Table later in this proxy statement. The salaries of the executive officers approximated the median of the Hay General Industry Market.

At the end of fiscal 2007, the Committee established the fiscal 2008 salaries for the executive officers based on the same factors as described above. The fiscal 2008 salaries are as follows:

Name	Fiscal 2008 Salaries
Craig E. LaBarge …………..………………………………	$534,500
Randy L. Buschling ……..….………………………………	352,000
Donald H. Nonnenkamp …………..……………………………..	300,000
John R. Parmley ..………………………………………	246,500
Teresa K. Huber …………..……………………………	214,500

Annual Incentives:

Executive officers, including the Chief Executive Officer, have the opportunity to earn annual incentive bonuses in the form of cash payments following the end of each fiscal year. Annual incentive bonuses depend, in part, on each executive officer's individual performance during the fiscal year and other circumstances considered during the annual evaluation, as discussed above. As with salary determinations, the Committee does not set specific individual performance criteria.

The main consideration of the Committee in awarding annual incentive bonuses is the achievement of certain Company performance goals established at the beginning of each fiscal year. The measurements used may vary among the executive officers and relate to each officer's specific job responsibilities, changing each year as the Committee, with the input of the Chief Executive Officer, sees fit. Annually, goals and correlating annual incentive bonus opportunities are established at the threshold, target and maximum levels. The Committee's goal is that, for performance at the target level, Total Cash Compensation will approximate the median of the Hay General Industry Market. However, such levels serve as a guide rather than strict payout formulas, as payouts vary depending on individual circumstances. In any case, payout will be zero if threshold performance levels are not met and will not exceed the maximum payout, or 150% of the payout for target performance.

The measurements used for determining fiscal 2007 annual incentive bonuses were as follows:

Name	2007 Annual Incentive Bonus Company Performance Goal Categories
Craig E. LaBarge	Net income
	Total bookings (i.e., new orders)
	Cash flow
Randy L. Buschling	Net income
	Total bookings
	Cash flow
Donald H. Nonnenkamp	Net income
	Cash flow
	Investor relations activities
John R. Parmley	Net income
	Total bookings
	Cash flow
Teresa K. Huber	Net income
	Business unit bookings
	Business unit operating income
	Business unit cash flow

Annual incentive bonuses for fiscal 2007 are disclosed in the 2007 Summary Compensation Table later in this proxy statement. In addition to the results of individual evaluations described above, the numbers reflect the following fiscal 2007 financial achievement levels: (i) 2007 net income exceeded threshold, but was below target; (ii) bookings exceeded maximum; (iii) cash flow exceeded threshold, but was below target; (iv) investor relations activities exceeded target, but was below maximum; (v) Ms. Huber's business unit bookings exceeded maximum; (vi) Ms. Huber's business unit operating income exceeded maximum; and (vii) Ms. Huber's business unit cash flow exceeded maximum.

Long-Term Incentives:

Executive officers are eligible to earn long-term incentive awards pursuant to the Company's 2004 Long Term Incentive Plan (the "Plan"), the terms of which are more fully described later in this proxy statement. Under the terms of the Plan, the Company has the flexibility to utilize a variety of vehicles in designing appropriate long-term incentives. Since the Plan was approved in 2004, the Committee has elected to utilize performance units, which pay out in shares of restricted Common Stock. The number of shares of restricted Common Stock, if any, that each executive officer will receive is tied to the Company's fiscal year net income performance.

The Committee meets following each fiscal year-end to approve net income goals at threshold, target and maximum levels for three years hence (the "Performance Period"). At this meeting, the Committee also enters into performance unit award agreements with each executive officer, pursuant to which each executive officer is granted a specified number of performance units, the value of which will be determined based on the Company's actual net income performance for the Performance Period. If actual net income results are less than the threshold goal for the Performance Period, the value of each performance unit will be zero. If actual net income results are at threshold, the value of each performance unit will be $0.50. If actual net income results are at target, the value of each performance unit will be $1.00. If actual net income results are at or above maximum, the value of each performance unit will be $1.50. If actual results are greater than threshold but less than target, or greater than target but less than maximum, the value of each performance unit will be adjusted proportionately. Target long-term incentive opportunities are designed to approximate the median of the Hay General Industry Market for target net income performance and also take into account the individual circumstances considered in the annual evaluations.

Following the end of the Performance Period, the Committee meets to determine the value of each performance unit (the "Unit Value") based upon the net income results for the Performance Period. Each executive officer is issued a number of shares of restricted Common Stock equal to the Unit Value times the number of performance units granted to him or her for the Performance Period, divided by the closing price of the Company's Common Stock as of the last trading day of the Performance Period. The restricted Common Stock then vests upon the first to occur of: (i) two additional years of employment; (ii) death or Disability; or (iii) a Change in Control (all as defined in the Plan).

The design of the Company's long-term incentive program provides that each executive officer will have three outstanding grants of performance units at all times. For example, the Committee met following the end of fiscal 2007 to establish threshold, target and maximum net income goals for 2010 and grant each executive officer performance units, the value of which will be determined based on the Company's net income results for fiscal 2010. Therefore, in the current fiscal year (fiscal 2008), each executive officer has outstanding performance units for fiscal 2008, 2009 and 2010. These performance units will be valued, and restricted stock will be issued, once the net income results for these fiscal years are calculated. The Committee believes that the practice of setting three-year rolling grants is appropriate for the business, as it provides incentive for the executive officers to focus on the long-term health of the Company and serves as a retention tool. The Committee further believes that converting performance units to restricted Common Stock has certain advantages, including: (i) encouraging ownership of the Company's Common Stock by executive officers; (ii) providing a retention incentive through the two-year vesting period; and (iii) allowing for lower dilution, as compared to the granting of stock options.

As customary, the Committee met following the end of fiscal 2007 to determine the value of performance units based on fiscal 2007 net income performance and, thus, the number of shares of restricted Common Stock to be issued to each executive officer. The Company exceeded its target net income goal in fiscal 2007, but did not reach its maximum goal. As such, the value of each performance unit was adjusted proportionately between $1.00 and $1.50. The following table discloses the number of shares of restricted Common Stock issued to each executive officer based on the closing price of the Company's Common Stock on the last trading day of fiscal 2007, which was $12.29.

Name	Number of Shares of Restricted Common Stock Based on Fiscal 2007 Net Income Performance
Craig E. LaBarge	43,042
Randy L. Buschling	28,695
Donald H. Nonnenkamp	19,130
John R. Parmley	9,565
Teresa K. Huber	7,652

Perquisites and Other Benefits

Our executive officers receive the following benefits in addition to the compensation discussed above: (i) eligibility to participate in the Company's 401(k) plan; (ii) Company-paid interest on deferred compensation; (iii) life insurance policies; (iv) use of Company-leased vehicles, or a vehicle allowance; (v) club dues; and (vi) limited financial planning services. The Committee believes these perquisites are reasonable and competitive and considers the value to be modest. As such, the Committee has not given significant weight to the value of perquisites when designing executive compensation packages.

Executive officers are eligible to receive the same health, dental, disability and group life insurance benefits, and participate in the 401(k) on the same terms, as are available to all other full-time employees of the Company.

Retirement and Other Post-Termination Benefits

We maintain Executive Severance Agreements with each of our named executive officers. Each Executive Severance Agreement and the Company's 2004 Long Term Incentive Plan contain Change in Control provisions, pursuant to which executive officers receive the benefits more fully described below.

Both the Executive Severance Agreements and the 2004 Long Term Incentive Plan define "Change in Control" as the first to occur of any of the following events: (i) any merger, consolidation, share exchange, or other combination or reorganization involving the Company, irrespective of which party is the surviving entity, excluding any merger, consolidation, share exchange, or other combination involving the Company solely in connection with the acquisition by the Company of any other entity; (ii) any sale, lease, exchange, transfer, or other disposition of all or substantially all of the assets of the Company; (iii) any acquisition (other than pursuant to will, the laws of descent and distribution, gift to a parent, child, spouse or descendant, or pursuant to an employee benefit plan) or agreement to acquire by any person or entity, directly or indirectly, beneficial ownership of 25% or more of the outstanding voting stock of the Company; (iv) during any period of two consecutive years during the term hereof, individuals who at the date of the Agreement, in the case of Executive Severance Agreements, or the Plan, in the case of the 2004 Long Term Incentive Plan, constitute the Board of Directors of the Company (the "Incumbent Directors") cease for any reason to constitute at least a majority thereof, unless the election of each director at the beginning of such director's term has been approved by at least two-thirds of the Incumbent Directors then in office; any such director so approved shall thereafter be an Incumbent Director; (v) a majority of the Board or a majority of the stockholders of the Company approve, adopt, agree to recommend, or accept any agreement, contract, offer, or other arrangement providing for any of the transactions described above; (vi) any series of transactions resulting in any of the transactions described above; or (vii) any other set of circumstances which the Board of Directors deems to constitute a Change in Control.

Executive Severance Agreements

Each Executive Severance Agreement provides that, following a Change in Control, the Company will continue to employ the executive officer for a period not less than one year at his or her place of employment immediately prior to the Change in Control or within 50 miles thereof.

During the Change in Control payment period, the executive officer would be entitled to a base salary in the amount not less than the annualized base salary paid or payable to him or her during the month immediately preceding the month in which the Change in Control occurs. He or she would also be entitled to an annual bonus equal to the same percentage of his or her base salary as the average bonuses paid to the executive officer in each of the five fiscal years most recently ended were to his or her base salary in those years, after disregarding the highest and lowest of such percentages. The executive officer would also be entitled, during such one-year period, to all pension, welfare and other employee benefits, fringe benefits and perquisites in amounts and on terms no less favorable than those to which he or she was entitled on the date of the Change in Control. The Agreements also provide that, in the event of termination of the executive officer's employment during such one-year period for reasons other than death, Disability, or Cause (as defined by the Agreements) or voluntarily by the executive officer without Good Reason (as defined by the Agreements), the executive officer would be entitled to a lump sum payment from the Company equal to the sum of: (i) his or her salary and other compensation not yet paid by the Company through the date of termination; (ii) a bonus prorated for the portion of the year through the date of termination; (iii) the product of three times the sum of (x) the executive officer's salary plus (y) the bonus to which he or she would have been entitled for the full fiscal year; plus (iv) accrued vacation pay. The Company would also be required to provide to the executive officer for three years after termination all medical, hospitalization, disability and certain other benefits in amounts and on terms not less favorable than those to which he or she was entitled at the time of termination. If the foregoing amounts were not paid when due, they would bear interest at the rate of 15% per annum. The Agreements provide for appropriate adjustments of such payments if they would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended.

2004 Long Term Incentive Plan

As noted above, executive officers receive performance units to be settled in restricted Common Stock, pursuant to the 2004 Long Term Incentive Plan, as part of the Company's long-term incentive portion of compensation packages. Once issued, the restricted Common Stock vests upon the first to occur of: (i) two additional years of employment; (ii) death or Disability; or (iii) a Change in Control, as defined above. If a Change in Control occurs at any time prior to the end of the second fiscal year following the Performance Period (as defined above), the restricted Common Stock shall become fully vested and immediately transferable. If a Change in Control occurs at any time before the end of the Performance Period, the net income goals with respect to the Performance Period shall be deemed to have been achieved at the maximum level as of the date of the Change in Control, whether or not the Performance Period is complete, and the performance units shall be distributable at the end of the twelve-month period immediately following the Change in Control, subject to forfeiture upon termination of employment other than Retirement, death, Disability or for Good Reason, as defined in the Plan.

Deferred Compensation Plan

Executive officers are also eligible to participate in a non-qualified deferred compensation plan that allows them to defer payments of portions of their salaries and annual bonuses until post-retirement. If an executive officer retires from the Company and has participated in the deferred compensation plan for at least five years, is at least 50 years old and has a deferred compensation balance of at least $50,000, he or she will receive monthly payments from the Company over a three or fifteen-year period, at the individual's option, the amount of which depends on his or her balance. If all of the above criteria are not met, the executive officer will receive his or her plan balance in one lump sum upon retirement.

Impact of Accounting and Tax Treatments of Executive Compensation

<u>Accounting Treatment</u>

The Committee has taken into account certain accounting consequences and rules when determining the types of awards that executive officers should receive as part of their long-term incentive components of compensation packages. As such, the Committee makes awards of performance units under the Company's 2004 Long Term Incentive Plan that are settled in shares of restricted Common Stock that the executive officers receive upon vesting.

Tax Treatment

Section 162(m) of the Internal Revenue Code of 1986, as amended, generally imposes a $1 million limit on the amount that public companies may deduct from compensation paid to the named executive officers. In fiscal 2007, no executive officer received compensation that triggered the applicability of Section 162(m).

Report of the Human Resources Committee

The Company's Human Resources Committee has reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K. Based upon such review and discussions, the Human Resources Committee has recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement.

Committee Members: Jack E. Thomas, Jr. (Chair)
Robert G. Clark
Thomas A. Corcoran

2007 Summary Compensation

The following table sets forth information concerning the compensation of the named executive officers for the fiscal year ended July 1, 2007.

Name and Principal Position	Salary ($)	Annual Incentive Bonus ($) (a)	Stock Awards ($) (b)	Option Awards ($)(c)	Change in Nonqualified Deferred Compensation Earnings ($) (d)	All Other Compensation ($) (e)	Total ($)
Craig E. LaBarge Chief Executive Officer and President	494,520	230,750	498,824	12,575	---	33,439	1,270,108
Randy L. Buschling Vice President & Chief Operating Officer	336,414	146,913	268,373	9,198	6,325	28,152	795,375
Donald H. Nonnenkamp Vice President, Chief Financial Officer and Secretary	286,520	105,900	179,760	7,358	3,160	35,003	617,701
John R. Parmley Vice President, Sales and Marketing	235,404	105,760	105,572	4,925	6,006	27,416	485,083
Teresa K. Huber Vice President, Operations	203,008	104,401	78,033	3,016	---	12,045	400,503

(a) Bonus amounts are earned in the fiscal year shown and paid in the subsequent fiscal year.

(b) Amounts shown equal the dollars expensed under the Company's 2004 Long Term Incentive Plan for awards earned in fiscal years 2005, 2006 and 2007. Each of these awards is expensed over three years (the year in which the performance takes place plus two additional years for vesting).

(c) Amounts shown are balances of expenses of option awards granted in fiscal year 2004 expensed under FAS 123R.

(d) Amounts shown represent interest earned at a rate that exceeded 120% of the applicable federal long-term rate.

(e) Includes amounts for 401(k) employer match, use of auto, club dues and financial planning and the following amounts for life insurance premiums: Mr. LaBarge, $14,510; Mr. Buschling, $15,142; Mr. Nonnenkamp, $17,097; and Mr. Parmley, $18,511.

2007 Grants of Plan-Based Awards

The following table sets forth additional information about plan-based awards granted in the fiscal year ended July 1, 2007:

Name	Grant Date	Estimated Future Payouts Under Equity Incentive Plan Awards ($) (a)		
		Threshold	Target	Maximum
Craig E. LaBarge	8/23/06	237,500	475,000	712,500
Randy L. Buschling	8/23/06	160,000	320,000	480,000
Donald H. Nonnenkamp	8/23/06	107,500	215,000	322,500
John R. Parmley	8/23/06	57,000	108,000	162,000
Teresa K. Huber	8/23/06	54,000	108,000	162,000

(a) Represents awards under the Company’s 2004 Long Term Incentive Plan granted in fiscal year 2007 and are applicable for performance during fiscal year 2009. Awards are made in the form of performance units, the value of which will be determined based on the Company’s net income performance in fiscal 2009, as more fully described in the Compensation Discussion and Analysis section. The performance units will be paid out in restricted Common Stock based on the closing price of the Company’s Common Stock on June 26, 2009. If the threshold net income performance goal for fiscal 2009 is not achieved, no shares of restricted Common Stock will be issued.

As discussed above and in the Compensation Discussion and Analysis, performance units granted under the Company’s 2004 Long Term Incentive Plan are paid out in restricted Common Stock depending on the achievement of net income levels and the closing price of the Company’s Common Stock on the last day of the fiscal year during which net income performance is measured. Any restricted Common Stock that is issued is subject to a two-year vesting schedule discussed in the Compensation Discussion and Analysis. During the restriction period, executive officers may exercise full voting rights and are entitled to dividends and other distributions paid with respect to the shares on the same terms as those of the Company’s Common Stockholders.

2007 Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information on outstanding options and stock awards held by the named executive officers as of July 1, 2007, including the number of shares underlying both exercisable and unexercisable portions of each stock option, as well as the exercise price and the expiration date of each outstanding option, and the market value of stock awards:

	Option Awards			Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares That Have Not Vested (#)	Market Value of Shares That Have Not Vested ($) (a)	Equity Incentive Plan Awards: Number of Unearned Performance Units That Have Not Vested (#) (b)	Equity Incentive Plan Awards: Payout Value of Unearned Performance Units That Have Not Vested ($) (c)
Craig E. LaBarge	294,118	2.50	2009	32,491(d)	399,314.39	450,000(f)	526,500
	110,294	2.50	2010	43,042(e)	528,986.18	475,000(g)	555,750
	92,900	2.85	2011				
	65,000	3.56	2013				
	62,552	8.54	2014				
Randy L. Buschling	68,632	2.50	2009	17,329(d)	212,973.41	300,000(f)	351,000
	63,636	2.50	2010	28,695(e)	352,661.55	320,000(g)	374,400
	20,000	2.85	2011				
	49,550	2.85	2011				
	75,000	3.56	2013				
	45,750	8.54	2014				
Donald H. Nonnenkamp	39,221	2.50	2009	10,831(d)	133,122.99	200,000(f)	234,000
	20,000	2.50	2009	19,130(e)	235,107.70	215,000(g)	251,550
	36,364	2.50	2010				
	34,085	2.85	2011				
	47,000	3.56	2013				
	36,600	8.54	2014				
John R. Parmley	34,309	2.50	2009	6,932(d)	85,194.28	100,000(f)	117,000

	31,821	2.50	2010	9,565(e)	117,553.85	108,000(g)	126,360
	23,260	2.85	2011				
	37,500	3.56	2013				
	24,500	8.54	2014				
Teresa K. Huber	15,000	8.54	2014	5,178(d)	63,637.62	90,000(f)	105,300
				7,652(e)	94,043.08	108,000(g)	126,360

(a) Valued at closing stock price of $12.29 on June 29, 2007.

(b) Performance units awarded under the 2004 Long Term Incentive Plan for fiscal years 2008 and 2009.

(c) Unearned and unvested performance units are valued assuming the Company achieves in fiscal years 2008 and 2009 the same percentage of those years' net income target goals, as was achieved in fiscal year 2007.

(d) Vests on June 29, 2008.

(e) Vests on June 28, 2009.

(f) Earned based on fiscal year 2008 performance.

(g) Earned based on fiscal year 2009 performance.

2007 Option Exercises and Stock Vested

The following table sets forth the exercise of stock options and vesting of stock awards during fiscal 2007 for the named executive officers.

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired on Exercise (#)**	**Value Realized on Exercise ($)**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($) (a)**
Craig E. LaBarge	30,513	178,043.67	25,000	307,250.00
Randy L. Buschling	---	---	10,417	128,024.93
Donald H. Nonnenkamp	---	---	7,500	92,175.00
John R. Parmley	20,000	211,200.00	5,000	61,450.00
Teresa K. Huber	---	---	3,334	40,974.86

(a) Valued at closing stock price on June 29, 2007, $12.29 per share.

2007 Nonqualified Deferred Compensation

The following table discloses contributions, earnings and balances under the Company's non-qualified deferred compensation plans for each of the named executive officers as of July 1, 2007:

Name	**Executive Contributions in Last FY ($)**	**Aggregate Earnings in Last FY ($) (a)**	**Aggregate Balance at Last FYE ($)**
Craig E. LaBarge	---	---	---
Randy L. Buschling	---	22,910	290,260
Donald H. Nonnenkamp	14,136	11,422	151,588
John R. Parmley	23,234	21,716	286,424
Teresa K. Huber	---	---	---

Interest paid by the Company at a rate equal to prime. Mr. LaBarge and Ms. Huber do not defer any portion of their compensation.

Employment Agreements and Other Post-Termination Agreements with Executive Officers

In 2005, the Company entered into Executive Severance Agreements ("Agreement") with Messrs. Craig E. LaBarge, Randy L. Buschling, Donald H. Nonnenkamp, John R. Parmley and Ms. Teresa K. Huber ,and in 2007 with William D. Bitner (collectively "the Executive Officers," or individually "the Executive Officer"). Each Agreement provides that, following a Change of Control (as defined by the Agreement), the Company will continue to employ the Executive Officer for a period not less than one year at his or her place of employment immediately prior to the Change of Control or within 50 miles thereof. During that period, the Executive Officer would be entitled to a base salary in the amount not less than the annualized base salary paid or payable to him or her during the month immediately preceding the month in which the Change of Control occurs. He or she would also be entitled to an annual bonus equal to the same percentage of his or her base salary as the average bonuses paid to the Executive Officer in each of the five fiscal years most recently ended were to his or her base salary in those years, after disregarding the highest and lowest of such percentages. The Executive Officer would also be entitled, during such one-year period, to all pension, welfare and other employee benefits, fringe benefits and perquisites in amounts and on terms no less favorable than those to which he or she was entitled on the date of the Change of Control. The Agreement also provides that, in the event of termination of the Executive Officer's employment during such one-year period for reasons other than death, disability, or Cause (as defined by the Agreement) or voluntarily by the Executive Officer with Good Reason (as defined by the Agreement), the Executive Officer would be entitled to a lump sum payment from the Company equal to the sum of: (i) his or her salary and other compensation not yet paid by the Company through the date of termination; (ii) a bonus prorated for the portion of the year through the date of termination; (iii) the product of three times the sum of (x) the Executive Officer's salary plus (y) the bonus to which he or she would have been entitled for the full fiscal year; and (iv) accrued vacation pay. The Company would also be required to provide to the Executive Officer for three years after termination all medical, hospitalization, disability and certain other benefits in amounts and on terms not less favorable than those to which he or she was entitled at the time of termination. If the foregoing amounts were not paid when due, they would bear interest at the rate of 15% per annum. The Agreement provides for appropriate adjustments of such payments if they would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended.

To estimate the amount payable by the Company upon a Change of Control, it is assumed that the named executive officers are terminated immediately upon the Change of Control rather than employed for one year. The following payments would be due to: Mr. LaBarge, $2,294,250; Mr. Buschling, $1,490,739; Mr. Nonnenkamp, $1,217,700; Mr. Parmley, $1,052,280; and Ms. Huber, $949,203.

In the event of a Change of Control of the Company, the named executive officers are entitled to receive accelerated payments under the Company's 2004 Long Term Incentive Plan. Currently, those Change-of-Control payments would be as follows: Mr. LaBarge, $2,137,500; Mr. Buschling, $1,410,000; Mr. Nonnenkamp, $945,000; Mr. Parmley, $474,000 and Ms. Huber, $459,000.

The Company has entered into a Competitive Practices Agreement with its Executive Officers. The Agreement restricts Executive Officers from engaging in competitive practices with the Company for a period of two years following termination of employment.

Related-Party Transactions

To identify and address any concerns regarding related party transactions and ensure their proper disclosure, the Company requires such transactions to be reported in its questionnaires distributed to directors and officers each year and mandates that all employees and directors report to the Corporate Secretary all transactions presenting potential conflicts of interest pursuant to its Policy on Business Conduct & Ethics. It is the policy that the Company's Audit Committee review and approve all material related party transactions, as defined in Item 404 of Regulation S-K.

During fiscal 2007, no related party transactions were entered into or proposed that require disclosure pursuant to Item 404 of Regulation S-K.

PROPOSAL 2:

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

KPMG LLP ("KPMG") has been appointed independent registered public accountant for the Company for the fiscal year ending June 29, 2008 by the Audit Committee with the approval of the Board of Directors. KPMG has been the Company's independent accountant since 1980. Although the appointment of the independent registered public accounting firm does not require the approval of Common Stockholders, the Board of Directors believes Common Stockholders should participate in the appointment through ratification. A representative of KPMG is expected to be present at the Annual Meeting of Stockholders with the opportunity to make a statement, if he so desires, and he is expected to be available to respond to appropriate questions raised orally at the meeting.

The affirmative vote of the holders of a majority of the outstanding shares of Common Stock casting a vote at the Annual Meeting is necessary for the ratification of the selection of the independent registered public accountant.

Independent Auditors' Fees

KPMG served as the Company's independent public registered public accountants for the fiscal year ending July 1, 2007.

Aggregate fees for professional services rendered for the Company by KPMG for the fiscal years ended July 1, 2007 and July 2, 2006 were:

	Fiscal Year Ended	
	July 1, 2007	July 2, 2006
Audit fees	$479,500	$394,496
Audit-related fees	---	---
Tax fees	---	---
All other fees	---	---

Audit fees were for professional services rendered for the audits of the consolidated financial statements of the Company and its benefit plans and the review of documents filed by the Company with the SEC. These fees include audit of internal controls in compliance with Section 404 of the Sarbanes-Oxley Act of 2002.

The Audit Committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by the Company's independent registered public accountant. These policies generally provides that the Company will not engage the independent registered public accountant to render audit or nonaudit services unless the service is specifically approved in advance by the Audit Committee. The Audit Committee has granted the Vice President and Chief Financial Officer the authority to engage KPMG LLP for audit-related and tax services not exceeding $25,000. Such engagements are then formally approved by the Audit Committee at its next meeting. 100% of fees paid for fiscal year 2007 were pre-approved by the Audit Committee.

The Board of Directors Recommends that you vote
"FOR" Ratification of the Selection of KPMG LLP as the Company's independent registered public accountant for Fiscal 2008.

Report of the Audit Committee

The primary role of the Audit Committee is oversight of the Company's financial reporting process, public financial reports, internal accounting and financial controls, and the independent audit of the annual consolidated financial statements. The Board, in its business judgment, has determined that the members of the Audit Committee are "independent" and "financially literate" as required by the American Stock Exchange. In addition, the Board has determined, in its business judgment, that Lawrence J. LeGrand qualifies as an "audit committee financial expert" as that term is defined by the Securities and Exchange Commission. The Committee acts under a charter. A current copy of the charter is available on the Company's Web site,*www.labarge.com*. The Committee reviews the adequacy of the charter at least annually.

Committee members are not professionally engaged in the practice of accounting or auditing, and are not experts under the Securities Act of 1933 in either of those fields, or in auditor independence. In carrying out its responsibilities, the Committee looks to management and the independent auditors. Management has the primary responsibility for the financial statements and the reporting process, including the systems of internal controls. The independent auditors are responsible for auditing the Company's consolidated financial statements and expressing an opinion as to their conformity to accounting principles generally accepted in the United States.

In the performance of its oversight function, the Audit Committee meets each quarter with management to review the Company's quarterly financial results and with the independent auditors to review the results of their quarterly review before the publication of the Company's earnings press releases. The Audit Committee assists the Board in establishing procedures for receipt and treatment of complaints received by the Company regarding accounting, internal controls and other matters, including the confidential anonymous submission by the Company's employees, received through established procedures, of any concerns regarding questionable accounting or auditing matters. The Audit Committee has reviewed and discussed with management and the independent auditors the Company's fiscal 2007 audited consolidated financial statements. Management and the independent auditors told the Audit Committee that the Company's financial statements were fairly stated in accordance with generally accepted accounting principles. The Audit Committee also has discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 relating to communication with audit committees. In addition, the Audit Committee has received from the independent auditors the written disclosures and letter required by Independence Standards Board Standard No. 1 relating to independence discussions with audit committees and has discussed with the independent auditors the independent auditors' independence. The Audit Committee has considered whether the independent auditors' provision of non-audit services to the Company is compatible with maintaining the auditors' independence.

The Audit Committee discussed with the Company's independent auditors the overall scope and plans for their audit. The Audit Committee met with the independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting.

The Audit Committee has reviewed and discussed with management its assessment and report on the effectiveness of the Company's internal control over financial reporting as of July 1, 2007, which it made using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control—Integrated Framework. The Audit Committee has also reviewed and discussed with the independent auditors its attestation report on control over financial reporting. The Company published these reports in its Annual Report on Form 10-K for the year ended July 1, 2007.

The Audit Committee pre-approved all services provided by the independent auditor in fiscal 2007. Pre-approval includes audit services and other services. In some cases, the full Audit Committee provides pre-approval for up to a year, related to a particular defined task or scope of work and subject to a specific budget. In other cases, the Chairman of the Audit Committee has the delegated authority from the Audit Committee to pre-approve additional services, and the Chairman then communicates such pre-approvals to the full Audit Committee. To avoid certain potential conflicts of interest, the law prohibits a publicly traded company from obtaining certain non-audit services from it independent registered public accounting firm. The Company obtains these services from other service providers as needed. See "Proposal 2: Ratification of Appointment of Independent Registered Public Accounting Firm" for more information regarding fees paid to the independent auditor.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the Company's fiscal 2007 audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended July 1, 2007 for filing with the Securities and Exchange Commission.

The Audit Committee has retained KPMG LLP to audit the Company's financial statements for fiscal 2008.

Committee Members:	Lawrence J. LeGrand, Chairman
	Thomas A. Corcoran
	John G. Helmkamp, Jr.

Voting Securities and Ownership Thereof By Management and Certain Beneficial Owners

Set forth below is information, as of September 21, 2007, concerning all persons known to the Company to be beneficial owners of more than 5% of the Common Stock outstanding on the Record Date, and beneficial ownership of Common Stock by each Director and nominee for Director of the Company, each named executive officer of the Company and all executive officers and directors as a group (unless otherwise indicated, such ownership represents sole voting and sole investment power).

Name and Address of Beneficial Owners (1)	Shares Beneficially Owned	Percent of Class
Directors and Executive Officers:		
Randy L. Buschling	380,677 - (2) (4) (5)	2.3%
Robert G. Clark	8,385	*
Thomas A. Corcoran	1,500	*
John G. Helmkamp, Jr.	355,196 - (3)	2.1%
Teresa K. Huber	28,882 - (2) (4) (5)	*
Craig E. LaBarge	2,064,091 - (2) (4) (5) (6) (7) (8)	12.4%
Lawrence J. LeGrand	1,186,045 - (9) (10)	7.1%
Donald H. Nonnenkamp	532,164 - (2) (4) (5)	3.2%
John R. Parmley	210,022 - (2) (4) (5)	1.3%
Jack E. Thomas, Jr.	3,685	*
All executive officers and directors as a group	4,488,544 (2)	26.9%
5% Stockholders:		
Sanfurd G. Bluestein, M.D. 309 Upper Mountain Avenue Upper Montclair, NJ 07043-1015	1,577,300 - (11)	9.5%
Leo V. Garvin, Jr. c/o Plancorp, Inc. 1350 Timberlake Manor Parkway Suite 100 Chesterfield MO 63017	1,181,045 - (10)	7.1%
Joanne V. Lockard c/o Plancorp, Inc. 1350 Timberlake Manor Parkway Suite 100 Chesterfield MO 63017	1,191,830 - (10) (12)	7.1%
Wentworth Hauser & Violich, Inc. 301 Battery Street Suite 400 San Francisco, CA 94111	834,500 - (13)	5.0%

* Less than 1%. Percent of class is based on 15,359,455 Common Shares outstanding on the Record Date, plus 1,327,092 outstanding exercisable options.

(1) The address of each executive officer and Director is c/o LaBarge, Inc., 9900 Clayton Road, St. Louis, Missouri, 63124.

(2) Includes options exercisable within 60 days for the following number of shares under the 1995 Incentive Stock Option Plan and the 1999 Non-Qualified Stock Option Plan: Mr. Buschling – 322,568; Ms. Huber – 15,000; Mr. LaBarge – 624,864; Mr. Nonnenkamp – 213,270; Mr. Parmley – 151,390. All executive officers and directors as a group – 1,327,092 shares.

(3) Includes 2,600 shares held by Mr. Helmkamp's spouse in her name, 3,911 shares in her IRA and 22,000 shares held in a trust, of which she acts as trustee. Also includes 45,300 shares held in three trusts for the benefit of Mr. Helmkamp's children and 43,500 shares held in a charitable remainder trust. Mr. Helmkamp is trustee of the aforesaid trusts. Mr. Helmkamp disclaims beneficial ownership of all these shares.

(4) Includes the following number of shares held in employee contribution accounts, Company unrestricted match accounts and Company restricted match accounts, respectively, of the Company's 401(k) Benefit Plan: Mr. Buschling -0-, 2,216 and 3,882; Ms. Huber: -0-, 492 and 560; Mr. LaBarge: 105,009, 126,262 and -0-; Mr. Nonnenkamp: -0-, 1,889 and 3,217; and Mr. Parmley: -0-, 2,158 and 3,836. The named persons have sole voting power with respect to all shares held in their accounts, and have sole dispositive power with respect to the shares held in their Company unrestricted match accounts. Except as noted below, the named persons have no dispositive power with respect to shares held in their Company restricted match accounts. In addition, Messrs. LaBarge and Nonnenkamp as administrators of the Company 401(k) Benefit Plan have shared dispositive power and no voting power (except for shares in their own accounts) as to 282,103 shares held in the Company restricted match accounts. Messrs. LaBarge and Nonnenkamp disclaim beneficial ownership of all shares held in the Company restricted match accounts of employees other than themselves.

(5) Includes the following number of shares awarded under the 2004 Long Term Incentive Plan that are restricted until June 29, 2008: Mr. Buschling, 17,329; Ms. Huber, 5,178; Mr. LaBarge, 32,491; Mr. Nonnenkamp, 10,831; and Mr. Parmley, 6,932. Also includes the following shares awarded under the 2004 Long Term Incentive Plan that are restricted until June 28, 2009: Mr. Buschling, 28,695; Ms. Huber, 7,652; Mr. LaBarge, 43,042; Mr. Nonnenkamp, 19,130; and Mr. Parmley, 9,565.

(6) Includes 70,548 shares held by Mr. LaBarge's spouse in her name, 34,000 shares held in her IRA and 14,702 shares as custodian for their two minor children. Mr. LaBarge disclaims beneficial ownership of these shares.

(7) Includes 18,172 shares held by a trust for two minor children of Mr. LaBarge and 5,334 shares held in trust for a niece of Mr. LaBarge. Mr. LaBarge is a co-trustee of the trusts and disclaims beneficial ownership.

(8) Includes 702,516 shares owned in Mr. LaBarge's individual capacity, 750 shares owned jointly with his spouse, and 20,000 shares held in his IRA.

(9) Includes 5,000 shares held in Mr. LeGrand's individual capacity.

(10) Includes 520,000 shares of Common Stock held by the Pierre L. LaBarge Pledge Trust for which Ms. Lockard and Messrs. Garvin and LeGrand, as personal representatives of Pierre L. LaBarge's estate, each has shared voting and shared dispositive power. Includes: (a) 268,045 shares of Common Stock held by the Pierre L. LaBarge Revocable Living Trust; (b) 65,500 shares of Common Stock held by the Pierre L. LaBarge Generation-Skipping Trust; (c) 65,500 shares of Common Stock held by the Craig E. LaBarge Generation-Shipping Trust, (d) 65,500 shares of Common Stock held by the Mark LaBarge Generation-Skipping Trust; (e) 65,500 shares of Common Stock held by the Jon L. LaBarge Generation-Skipping Trust; (f) 65,500 shares of Common Stock held by the Denise M. LaBarge Generation-Skipping Trust; (g) 65,500 shares of Common Stock held by the Marie A. LaBarge Miller Generation-Skipping Trust. Ms. Lockard and Messrs. Garvin and LeGrand serve as co-trustees for each of these trusts. Each of the co-trustees has shared voting and shared dispositive power.

(11) Information submitted on Form 13G filed December 31, 2006.

(12) Includes 3,406 shares owned jointly with Ms. Lockard's spouse as to whom she has shared voting and dispositive power and 7,379 shares held in the Company's 401(k) Benefit Plan as to which she has sole voting power.

(13) Information submitted on Form 13F filed June 30, 2007.

Section 16(a) Beneficial Ownership Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires that the Company's directors, executive officers and beneficial owners of more than 10% of the Company's outstanding shares of Common Stock file reports on Forms 3, 4 and 5 with the SEC and the American Stock Exchange to report their holdings of the Company's shares and changes thereto.

Based on its review of copies of such forms received by it and written representations from certain reporting persons that no Forms 5 were required to be filed by those persons, the Company believes that during fiscal 2007, all filing requirements were timely complied with.

STOCKHOLDER PROPOSALS

Stockholder Proposals for Next Year

Any Stockholder proposal to be considered for inclusion in the Proxy Statement for the next Annual Meeting, which is expected to be held in November 2008, must be received by the Company in writing at its principal office at the address listed on page 1 hereof no later than June 18, 2008. The deadline for written notice of a proposal for which the Stockholder will conduct his or her own solicitation is August 31, 2008.

SEC Form 10-K

Stockholders may obtain a copy of the Company's Annual Report on Form 10-K without charge by writing to the Corporate Secretary at the address listed on page 1, or by visiting the Company's Web site at*www.labarge.com*.

Code of Ethics

The Company has adopted a Policy on Business Conduct and Ethics applicable to its employees, including officers, and directors. This Policy on Business Conduct and Ethics can be viewed on the Company's Web site at*www.labarge.com*. Any future amendments or waivers of the Code of Ethics will be promptly disclosed on the Company's Web site.

Other Matters and Householding

As of the date of this Proxy Statement, the Board of Directors of the Company does not intend to present, nor has it been informed that other persons intend to present, any matters for action at the Annual Meeting, other than those specifically referred to herein. If, however, any other matters should properly come before the Annual Meeting, it is the intention of the persons named on the Proxy Card to vote the shares represented thereby in accordance with their judgment as to the best interest of the Company on such matters.

By Order of the Board of Directors LaBarge, Inc.,

Donald H. Nonnenkamp
Vice President, Chief Financial Officer and Secretary

St. Louis, Missouri
October 12, 2007

[LOGO]

LaBarge, Inc.
PROXY FOR ANNUAL MEETING OF STOCKHOLDERS
November 14, 2007

The undersigned hereby appoints Craig E. LaBarge and Donald H. Nonnenkamp, or either of them acting in the absence of the other, proxies for the undersigned, with full power of substitution, to vote all shares of the undersigned at the Annual Meeting of Stockholders of LaBarge, Inc. to be held at the Ritz-Carlton, St. Louis, 100 Carondelet, St. Louis, Missouri, on November 14, 2007, at 4:00 P.M. St. Louis time, and at any adjournments thereof, in accordance with the instructions on the reverse side of this form, and with discretionary authority with respect to such other matters not known or determined at the time of the solicitation of this proxy, as may properly come before said meeting or any adjournments thereof. Stockholders who do not attend the Annual Meeting in person, are invited to listen to the webcast of the meeting, which will be accessible through the Company's website at http://www.labarge.com.

PLEASE COMPELTE, DATE, SIGN, AND MAIL THIS PROXY PROMPTLY IN THE ENCLOSED POSTAGE-PAID ENVELOPE OR VOTE VIA THE INTERENET OR BY TELEPHONE.

(Continued, and to be marked, dated, and signed, on the other side)

FOLD AND DETACH HERE

LaBarge, Inc.-- ANNUAL MEETING, NOVEMBER 14, 2007

YOUR VOTE IS IMPORTANT TO US!
You can vote in one of three ways:

1. Call toll free 1-866-860-0411 on a Touch Tone telephone. There is NO CHARGE to you for this call.

<u>or</u>

2. Via the Internet at https://www.proxyvotenow.com/lbi and follow the instructions.

or

3. Mark, sign, and date your proxy card and return it promptly in the enclosed envelope.

WE ENCOURAGE VOTING ON THE INTERENET OR BY TELEPHONE.

PLEASE SEE REVERSE SIDE FOR VOTING INSTRUCTIONS

The undersigned hereby revokes any proxies heretofore given in connection with the Annual Meeting and directs said persons to use this proxy to act or vote as follows:

For All	With-hold	For All Except

Proposal 1. Election of Directors:
Class C - (01) Robert G. Clark.
(02) Jack E. Thomas, Jr.

INSTRUCTION: To withhold authority to vote for any individual nominee, mark "For All Except" and write that nominee's name in the space provided below.

The Board of Directors recommends that you vote "FOR" the election of the nominees listed above.

For	Against	Abstain

Proposal 2. Proposal to ratify the selection of KPMG LLP as independent auditors for the fiscal year ending June 29, 2008.

The Board of Directors recommends that you vote “FOR” ratification of the selection of KPMG LLP.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS. UNLESS OTHERWISE INDICATED, THIS PROXY WILL BE VOTED FOR ALL PROPOSALS.

NOTE: Please sign exactly as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee, or guardian, please give full title as such.

Please be sure to date and sign this instruction card in the box below.

Sign above Date:

****** IF YOU WISH TO PROVIDE YOUR INSTRUCTIONS TO VOTE BY TELEPHONE OR INTERNET, PLEASE READ THE INSTRUCTIONS BELOW ******

FOLD AND DETACH HERE IF YOU ARE VOTING BY MAIL

PROXY VOTING INSTRUCTIONS
Stockholders of record have three alternative ways of voting their proxies:
1. By Mail; or
2. By Telephone (using a Touch-Tone phone); or
3. By Internet.
A telephone or Internet vote authorizes the named proxies to vote your shares in the same manner as if you marked, signed, dated and returned this proxy. Please note that all telephone and Internet votes must be cast prior to 3 a.m., Eastern time, November 14, 2007.

Vote by Telephone

Call Toll-Free on a Touch-Tone phone anytime prior to
3 a.m., Eastern time, November 14, 2007.
1-866-860-0411

Vote by Internet
Anytime prior to
3 a.m., Eastern time, November 14, 2007, go to
https://www.proxyvotenow.com/lbi

Please note that the last vote received, whether by telephone, Internet or mail, will be the vote counted.

Your vote is important!