

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 3, 2005

ASTRONICS CORPORATION.

(Exact name of registrant as specified in its charter)

NEW YORK

0-7087

16-0959303

(State or other jurisdiction of incorporation) (Commission File Number) (IRS Employer Identification No.)

130 Commerce Way, East Aurora, New York

14052

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (716) 805-1599

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below)

Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

The disclosure required by this Item is set forth in Item 2.01 below, which is incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

Astronics Corporation (the "Company"), through its wholly owned subsidiary, Astronics Acquisition Corp. ("AAC"), and General Dynamics OTS (Aerospace), Inc. ("Seller") entered into an Asset Purchase Agreement dated February 3, 2005 (the "Purchase Agreement") providing for the acquisition by AAC from Seller of substantially all of the assets and liabilities of Seller's airborne electronics systems business (the "Acquisition"). Seller is a subsidiary of General Dynamics Corporation (NYSE: GD).

The purchase price was \$13.0 million in cash paid at closing, plus a potential earn-out of up to an aggregate of \$4.0 million based upon the 2005 revenue of the acquired business.

In connection with the funding of the Acquisition, the Company drew down approximately \$7.0 million from its existing credit agreement with HSBC Bank USA (the "Credit Agreement"). The terms of the Credit Agreement are set forth in that certain Credit Agreement dated February 20, 2003 between the Company and HSBC Bank USA. Following this draw, approximately \$7.0 million is currently outstanding under the Credit Agreement and approximately \$1.0 million is available for future borrowings. Currently, the Company is paying interest on its outstanding borrowings under the Credit Agreement at a variable annual rate of approximately 5.6%.

The Acquisition was consummated on February 3, 2005.

On February 3, 2005, the Company issued a press release announcing that it had completed the Acquisition. A copy of the press release is included as Exhibit 99.1 to this Current Report and is incorporated herein by reference.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure required by this Item is set forth in Item 2.01 below, which is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.*(a) Financial Statements of Businesses Acquired.*

The financial statements required to be filed as part of this Current Report will be filed pursuant to an amendment to this Current Report not later than 71 days after this Current Report is required to be filed.

(b) *Pro Forma Financial Information.*

The pro forma financial information required to be filed as part of this Current Report will be filed pursuant to an amendment to this Current Report not later than 71 days after this Current Report is required to be filed.

(c) *Exhibits.*

**Exhibit
Number**

Description

99.1	Press Release of Astronics Corporation dated February 3, 2005
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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 authorized.

ASTRONICS CORPORATION

Date: February 7, 2005

By: /s/ David C. Burney
David C. Burney
Vice President Finance, Chief
Financial Officer

EXHIBIT INDEX

Exhibit Number

Description

99.1	Press Release of Astronics Corporation dated February 3, 2005
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Astronics Corporation × 130 Commerce Way × East Aurora, NY × 14052-2191

For more information contact:

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FOR IMMEDIATE RELEASE

Astronics Announces Acquisition of Airborne Electronic Systems

- **Adds power generation and distribution technology to lighting capabilities**
- **Extends customer base and expands commercial aircraft product line**
- **Acquisition to be discussed on 2004 financial results conference call: Thursday, February, 10, 2005**

EAST AURORA, NY, February 3, 2005, Astronics Corporation (NASDAQ: ATRO), a leader in advanced, high performance lighting and electronics systems for the global aerospace and defense industry, today announced that it has acquired substantially all of the assets of the Airborne Electronic Systems (AES) business unit from a subsidiary of General Dynamics (NYSE: GD). Astronics acquired the business for \$13.0 million in cash at closing with an additional purchase consideration of up to \$4.0 million based on 2005 revenue. Astronics will use a combination of its available cash and line of credit to fund the acquisition.

AES produces a wide range of products related to electrical power generation, control, and distribution on military, commercial, and business aircraft. AES supplies power conditioning units for both the Advanced Tactical Tomahawk and the Taurus Missile programs. AES is also a major supplier of cabin power systems to commercial airlines, which allow passengers to run their personal electronic devices with aircraft power. These systems are marketed under the trade name EmPower®, and can be found on airlines around the world.

In the business jet market, AES is the selected supplier for the complete electrical distribution system for the Eclipse 500 business jet. Astronics had previously announced that it had been awarded the entire external lighting system contract for this new business jet by its manufacturer Eclipse Aviation.

Peter J. Gundermann, President and CEO of Astronics commented, "We are very excited about the prospects for this business. The products and capabilities of AES are logical extensions of our own, effectively broadening our product offerings and increasing our growth opportunities. Their customer base is complementary and they enjoy a very good reputation in the industry. They have an experienced management team and a culture that is similar to our own, which will help ease the integration process."

AES had sales of approximately \$25 million in 2004 and had negative earnings. At December 31, 2004, the business had net assets of approximately \$18 million and a backlog of \$45 million. These unaudited figures are subject to final audit. Fifty percent of its sales are to customers in the USA, one-third to customers in Asia, and the remainder to customers in Europe. Approximately half of its sales are to fleet operators and half are to aircraft manufacturers. Located in Redmond, Washington, AES, which was founded over forty years ago, has approximately 135 employees.

Mr. Gundermann continued, "AES had considerable challenges the last few years. They were heavily affected by the post-9/11 difficulties in the commercial airline market. Importantly, during that time they made significant investments developing innovative technology for new aircraft programs. We believe that their efforts should result in solid growth in the near future. We expect that AES will contribute approximately \$30 million to revenue in 2005 while contributing solidly to our earnings."

Astronics plans to call this business unit Astronics Advanced Electrical Systems, or Astronics AES. The business will continue to operate in Redmond, WA with its existing management team.

The Company will host a teleconference at 11:00 a.m. ET on February 10, 2005 to discuss the acquisition of AES and to review 2004 financial results as noted in its teleconference and webcast notification release also announced today. Astronics plans to release its fourth quarter and fiscal year end 2004 results before the opening of financial markets on Thursday, February 10, 2005.

The Astronics conference call can be accessed the following ways:

- The live webcast can be found at <http://www.astronics.com>. Participants should go to the website 10 - 15 minutes prior to the scheduled conference in order to register and download any necessary audio software.

- The teleconference can be accessed by calling (303) 262-2051 approximately 5 - 10 minutes prior to the call.

To listen to the archived call:

- The archived webcast will be at <http://www.astronics.com>. A transcript will also be posted once available.
- A replay can also be heard by calling (303) 590-3000, and entering passcode 11018342#. The telephonic replay will be available through Thursday, February 17, 2005 at 11:59 p.m. ET.

ABOUT ASTRONICS CORPORATION

Astronics Corporation is a manufacturer of specialized lighting and electronics for the cockpit, cabin and exteriors of military, commercial transport and private business jet aircraft. Its strategy is to expand the value and content it provides to various aircraft platforms through product development and acquisition.

For more information on Astronics and its products, visit its website at www.Astronics.com.

Safe Harbor Statement

This press release contains forward-looking statements as defined by the Securities Exchange Act of 1934. One can identify these forward-looking statements by the use of the words "expect," "anticipate," "plan," "may," "will," "estimate" or other similar expression. Because such statements apply to future events, they are subject to risks and uncertainties that could cause the actual results to differ materially from those contemplated by the statements. Important factors that could cause actual results to differ materially include the speed with which the integration of the acquisition will take place, the impact of the acquisition on financial results, the likelihood that the acquisition will contribute to earnings in 2005, the market acceptance of newly developed products, the ability to cross sell products and expand markets, the state of the aerospace industry, and other factors which are described in filings by Astronics with the Securities and Exchange Commission. The Company assumes no obligation to update forward-looking information in this press release whether to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results, financial conditions or prospects, or otherwise.

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