

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K/A

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

Date of report (date of earliest event reported) November 29, 1995

ASTRONICS CORPORATION  
(Exact Name of Registrant as Specified in Charter)

New York (State or Other Jurisdiction of Incorporation)	0-7087 (Commission File Number)	16-0959303 (IRS Employer Identification No.)
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1801 Elmwood Avenue, Buffalo, New York (Address of Principal Executive Offices)	14207 (Zip Code)
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Registrant's telephone number, including area code (716) 447-9013

N/A  
(Former Name or Former Address, if Changed Since Last Report)

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Item 7. Financial Statements, Pro Forma Financial Information and Exhibits. Page

The following financial statements and pro forma financial information are filed as a part of this report.

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| (A) Financial Statements of Loctite Luminescent Systems, Inc. | 3 |
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the year ended December 31, 1994  
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(C) Exhibits

(2.1) Stock Purchase Agreement  
dated November 29, 1995 among  
Astronics Corporation, Loctite  
Corporation and Loctite Luminescent  
Systems, Inc., incorporated by  
reference to Exhibit 2.1 of  
Form 8-K filed December 13, 1995.  
Pursuant to Rule 601(b)(2) of  
Regulation S-K, exhibits and  
schedules to this agreement have  
been omitted. The Company hereby  
agrees to supplementally provide to  
the Securities and Exchange  
Commission copies of the schedules  
upon request.

(23) Consent of Ernst & Young LLP

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Loctite Luminescent Systems, Inc.

Financial Statements

Nine months ended September 30, 1995  
and the year ended December 31, 1994

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## Report of Independent Auditors

Board of Directors  
Loctite Luminescent Systems, Inc.

We have audited the accompanying balance sheets of Loctite Luminescent Systems, Inc. as of September 30, 1995 and December 31, 1994, and the related statements of operations and cash flows for the nine months ended September 30, 1995 and for the year ended December 31, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Loctite Luminescent Systems, Inc. at September 30, 1995 and December 31, 1994, and the results of its operations and its cash flows for the nine months ended September 30, 1995 and the year ended December 31, 1994, in conformity with generally accepted accounting principles.

Ernst & Young LLP

December 8, 1995

## Loctite Luminescent Systems, Inc.

## Balance Sheets

	September 30, 1995	December 31, 1994
<hr/>		
Assets		
Current assets:		
Accounts receivable, less allowance of \$100,033 at September 30, 1995 (\$104,428 at December 31, 1994)	\$ 1,897,603	\$ 2,065,403
Inventories (Note 2)	3,264,137	3,309,822
Prepaid expenses	5,925	-
	<hr/>	<hr/>
Total current assets	5,167,665	5,375,225
Property and equipment:		
Leasehold improvements	1,043,071	988,599
Machinery and equipment	6,081,978	6,591,070
	<hr/>	<hr/>
	7,125,049	7,579,669
Accumulated depreciation and amortization	(5,712,070)	(6,201,202)
	<hr/>	<hr/>
	1,412,979	1,378,467
Other assets:		
Patents, trademarks and other intangibles net of accumulated amortization of \$4,871,736 at September 30, 1995 (\$4,623,111 at December 31, 1994)	1,794,264	2,042,889
Other	18,201	10,859
	<hr/>	<hr/>
Total other assets	1,812,465	2,053,748
	<hr/>	<hr/>
Total assets	\$ 8,393,109	\$ 8,807,440
	<hr/> <hr/>	<hr/> <hr/>

September 30,      December 31,  
1995                      1994

Liabilities and shareholders' equity		
Current liabilities:		
Cash overdraft	\$ 91,500	\$ 8,307
Accounts payable	267,636	318,497
Intercompany payable to Loctite Corporation	4,737,263	4,612,260
Accrued expenses	585,019	604,435
<hr/>		
Total current liabilities	5,681,418	5,543,499
Postretirement obligations	380,213	272,738
Shareholders' equity:		
Common stock, \$1 par value, 1,000,000 share authorized, 654,748 issued and outstanding	654,748	654,748
Additional paid-in-capital	4,670,211	4,670,211
Accumulated deficit	(2,993,481)	(2,333,756)
<hr/>		
Total shareholders' equity	2,331,478	2,991,203
<hr/>		
Total liabilities and shareholders' equity	\$ 8,393,109	\$ 8,807,440
<hr/> <hr/>		

See accompanying notes.

Loctite Luminescent Systems, Inc.

Statements of Operations

Nine months  
ended      Year ended  
September 30,      December 31,  
1995                      1994

Net sales	\$ 8,726,766	\$ 11,370,929
Cost of sales	6,413,237	7,826,114
Gross profit	<u>2,313,529</u>	<u>3,544,815</u>
Selling, general and administrative expenses	2,641,951	3,814,322
Operating loss	<u>(328,422)</u>	<u>(269,507)</u>
Other expense:		
Intercompany foreign sales commission	288,750	320,227
Other intercompany charges	42,553	18,000
	<u>331,303</u>	<u>338,227</u>
Net loss	<u>\$ (659,725)</u>	<u>\$ (607,734)</u>

See accompanying notes.

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Loctite Luminescent Systems, Inc.

Statements of Cash Flows

	Nine months	
	ended	Year ended
	September 30,	December 31,
	1995	1994

Operating activities		
Net loss	\$ (659,725)	\$ (607,734)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	597,614	915,411
Loss on disposal of fixed assets	13,177	59,628
Changes in operating assets and liabilities:		
Accounts receivable	167,800	(350,498)

Inventories	45,685	(989,776)
Prepaid expenses and other	(13,267)	201,379
Accounts payable and accrued expenses	(70,277)	(1,135,185)
Post retirement obligations	107,475	123,734
Net cash provided by (used in) operating activities	188,482	(1,783,041)
Investing activities		
Purchases of property and equipment	(396,678)	(335,188)
Net cash used in investing activities	(396,678)	(335,188)
Financing activities		
Increase in intercompany payable	125,003	1,902,372
Net cash provided by financing activities	125,003	1,902,372
Net decrease in cash	(83,193)	(215,857)
(Overdraft) cash at beginning of year	(8,307)	207,550
Cash overdraft at end of year	\$ (91,500)	\$ (8,307)

See accompanying notes.

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Loctite Luminescent Systems, Inc.

Notes to Financial Statements

September 30, 1995 and December 31, 1994

## 1. Basis of Presentation

The accompanying financial statements present, on a historical basis, the financial position and results of operations related to Loctite Luminescent Systems, Inc. (the "Company"), a wholly-owned subsidiary of Loctite Corporation. On November 29, 1995, Loctite Corporation entered into an agreement to sell substantially all the assets of the Company carried in the accompanying September 30, 1995 balance sheet at \$8,393,000 for approximately \$6,000,000 plus trade accounts payable assumed by the buyer. These financial statements do not reflect the loss on disposal of approximately \$2.1 million.

## 2. Summary of Significant Accounting Policies

### Business of the Company

The Company is involved in the design, manufacture, and marketing of lamps, formation lights, and egress lighting systems. Revenue is recognized at the time of shipment of goods. The Company performs periodic credit evaluations of its customers' financial condition, and generally does not require collateral.

### Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market.

Inventories are summarized as follows:

	1995	1994
Raw materials	\$ 1,434,186	\$ 1,383,674
Work-in-process	883,410	793,904
Finished products	2,466,522	2,516,759
Obsolescence reserves	(1,519,981)	(1,384,515)
Total inventories	<u>\$ 3,264,137</u>	<u>\$ 3,309,822</u>

#### Property and Equipment

Property and equipment are stated at cost and depreciated principally using the straight-line method over the useful lives of the individual assets ranging from 3 to 12 years. Maintenance and repairs are charged to expense as incurred, while major improvements and replacements are capitalized.

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Loctite Luminescent Systems, Inc.

Notes to Financial Statements (continued)

#### 2. Summary of Significant Accounting Policies (continued)

##### Patents, Trademarks and Other Intangibles

Patents, trademarks and other intangibles consists principally of values assigned to these items at the time of acquisition. These assets are being amortized on an accelerated method over 20 years. The carrying value of intangibles is assessed annually.

##### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### 3. Major Customers and Concentration of Credit Risk

Sales to four customers amounted to approximately 21% of net sales for the nine months ended September 30, 1995 and 22% of the accounts receivable balance at September 30, 1995. These customers are concentrated within the airline, automotive, and defense industries, with such businesses located throughout the world.

#### 4. Related Party Transactions

The Company has been charged certain direct costs which have been paid by Loctite Corporation on behalf of the Company. Such direct costs include general and worker's compensation insurance expenses, certain lease payments, patent attorney fees and other costs billed by third parties. In addition to direct costs, Loctite Corporation charged a foreign sales commission to the Company. This commission was \$289,000 for the nine months ended September 30, 1995 (\$320,000 for the year ended December 31, 1994).

#### 5. Operating Leases

The Company conducts its main operations from a facility that is leased under an agreement expiring October 31, 1999. In



addition, the Company leases manufacturing space under a lease expiring November 30, 1996. The rental expense was \$360,895 for the nine months ended September 30, 1995 (\$474,418 for the year ended December 31, 1994).

Notes to Financial Statements (continued)

5. Operating Leases (continued)

The following is a schedule of future minimum rental payments required under the lease agreements:

Year ending December 31,	
1996	\$ 481,012
1997	476,938
1998	491,245
1999	421,033

6. Thrift Investment Plan

Under a company-wide Loctite Corporation Thrift Investment Plan, eligible employees may save, by payroll deductions, a portion of their salaries. Up to 25% of the amount saved may be invested in Loctite Corporation common stock. In addition, the Company matches, in Loctite Corporation common stock, one-half of the first 6% saved by the employee. Expense recorded related to this plan for the nine months ended September 30, 1995, was \$55,000 (\$74,000 for the year ended December 31, 1994).

7. Retirement Plan

The Company participates in a non-contributory defined benefit plan for eligible employees in accordance with a Loctite Corporation company-wide plan. The Company records its allocated share of pension cost. Expense recorded related to this plan for the nine months ended September 30, 1995, was \$91,000 (\$181,000 for the year ended December 31, 1994).

8. Postretirement Health Care and Life Insurance Benefits

The Company provides postretirement health care and life insurance benefits for eligible employees in accordance with Loctite Corporation's policies. The benefit plan is contributory based upon years of service and age at retirement. Health care benefits are extended to spouses of eligible employees and are fully paid by retiree contributions.

The Company accounts for the cost of postretirement benefits in accordance with Statement of Financial Accounting Standards No. 106, "Employers' Accounting for Postretirement Benefits Other than Pension" (SFAS No. 106). This statement requires that annual postretirement benefit costs be accrued during an employee's years of active service. In accordance with SFAS No. 106, the transition obligation, representing the unfunded and unrecognized accumulated past service benefit obligation for all

8. Postretirement Health Care and Life Insurance Benefits  
(continued)

plan participants, may be recognized as an expense in the year of adoption or may be amortized on a straight-line basis over a period up to twenty years. The Company has adopted SFAS No. 106 by electing to amortize the transition obligation over twenty years.

Postretirement benefit costs are summarized as follows:

	Nine months ended September 30, 1995	Year ended December 31, 1994
Service cost for benefits earned during the period	\$ 40,050	\$ 41,000
Interest cost on accumulated postretirement obligation	41,100	41,600
Amortization of transition obligation	26,325	41,134
Net periodic postretirement benefit cost	<u>\$107,475</u>	<u>\$123,734</u>

Detail related to the funded status of the plan is not available at the Loctite Corporation subsidiary level.

9. Taxes on Income

The results of operations of the Company are included in the consolidated income tax return of Loctite Corporation. Company losses have been utilized in the consolidated return and no benefit has been allocated to the Company. Historically, income taxes have not been significant to the Company.

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 ASTRONICS CORPORATION  
 Pro Forma Combined Balance Sheet  
 September 30, 1995

(Dollars in Thousands)  
 (Audited)  
 Loctite  
 (Unaudited) Luminescent (Unaudited) (Unaudited)  
 Astronics Systems, Pro-Forma Pro-Forma  
 Corporation Inc. Adjustments Combined

Assets

Current Assets:

Cash	\$ 295	\$ 0	\$ 295
Accounts receivable	2,788	1,898	4,686
Inventories:			
Finished goods	1,876	2,467 A	\$ (1,431) 2,912
Work in process	553	883 A	(310) 1,126
Raw material	1,942	1,434 A	(427) 2,949
Obsolescence reserves	0	(1,520)A	1,520 0
Prepaid expenses	1,612	6	1,618
	<hr/>		
Total current assets	\$ 9,066	\$ 5,168	\$ (648) \$13,586

Property, Plant and Equipment	26,487	7,125 A	(5,712) 27,900
Less accumulated			

depreciation and amortization	14,438	5,712 A	(5,712)	14,438
Net property, plant and equipment	\$ 12,049	\$ 1,413	\$ 0	\$ 13,462
Other assets	1,151	1,812 A	(1,313)	1,650
	\$ 22,266	\$ 8,393	\$ (1,961)	\$ 28,698

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 ASTRONICS CORPORATION  
 Pro Forma Combined Balance Sheet  
 September 30, 1995

(Dollars in Thousands)  
 (Audited)  
 Loctite  
 (Unaudited) Luminescent (Unaudited) (Unaudited)  
 Astronics Systems, Pro-Forma Pro-Forma  
 Corporation Inc. Adjustments Combined

Liabilities and  
 Shareholders' Equity

Current Liabilities:				
Current maturities of				
long-term debt	\$ 2,239	\$ 0		\$ 2,239
Cash overdraft	0	92 B	\$ (92)	0
Accounts payable	1,695	267 A,B	187	2,149
Intercompany payable to				
Loctite Corporation	0	4,737 B	(4,737)	0
Accrued expenses	1,165	585 B	(585)	1,165
Income taxes	(14)	0	(14)	
Total current liabilities	\$ 5,085	\$ 5,681	\$ (5,227)	\$ 5,539
Long-Term Debt	3,394	0 A	5,978	9,372
Long-Term Obligations under Capital Leases				
	1,926	0		1,926
Deferred Income Taxes	897	0		897
Postretirement obligations	0	380 B	(380)	0
Shareholders' Equity:				
Common Stock, \$.01 par value				
Authorized 10,000,000 shares, issued 3,258,248 shares				
	33	655 B	(655)	33
Class B common stock, \$.01 par value				
Authorized 5,000,000 shares,				

issued 830,211 shares	8	0	8	
Additional paid-in capital	2,001	4,670 B	(4,670)	2,001
Retained earnings	9,602	(2,993)B	2,993	9,602
Treasury stock, at cost	(680)	0	(680)	

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Total shareholders' equity	\$10,964	\$ 2,332	\$ (2,332)	\$10,964
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	\$22,266	\$ 8,393	\$ (1,961)	\$28,698
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ASTRONICS CORPORATION  
Pro Forma Combined Statement of Operations  
for the nine months ended September 30, 1995

(Dollars in Thousands)  
(Audited)  
Loctite  
(Unaudited) Luminescent (Unaudited) (Unaudited)  
Astronics Systems, Pro-Forma Pro-Forma  
Corporation Inc. Adjustments Combined

Net Sales	\$19,716	\$ 8,727		\$28,443
Costs and Expenses:				
Cost of products sold	13,791	6,413 D	\$ (449)	19,755
Selling, general and administrative expenses	4,073	2,642 C	(242)	6,473
Interest expenses, net of interest earned of \$97	319	E	314	633

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Total costs and expenses	\$18,183	\$ 9,055	\$ (377)	\$26,861
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Other expenses:				
Intercompany foreign sales commission		289 F	(289)	0
Other intercompany charges		43 F	(43)	0
	\$ 0	332	(332)	0

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Income before provision for taxes on Income	\$ 1,533	\$ (660)	\$ 709	\$ 1,582
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Provision for taxes on income	618	0 G	17	635
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Net income	\$ 915	\$ (660)	\$ 692	\$ 947
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Earnings per share	\$ 0.24		\$ 0.25	
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ASTRONICS CORPORATION  
Pro Forma Combined Statement of Operations  
for the twelve months ended December 31, 1994

(Dollars in Thousands)				
(Audited)				
Loctite				
	(Audited) Astronics Corporation	Luminescent Systems, Inc.	(Unaudited) Pro-Forma Adjustments	(Unaudited) Pro-Forma Combined
Net Sales	\$24,944	\$11,370		\$36,314
Costs and Expenses:				
Cost of products sold	17,531	7,826 D	\$ (707)	24,650
Selling, general and administrative expenses	4,898	3,814 C	(323)	8,389
Interest expenses, net of interest earned of \$141	527	0 E	418	945
<hr/>				
Total costs and expenses	\$22,956	\$11,640	\$ (612)	\$33,984
Other expenses:				
Intercompany foreign sales commission		320 F	(320)	0
Other intercompany charges		18 F	(18)	0
	<hr/> \$ 0	338	(338)	<hr/> 0
<hr/>				
Income before provision for taxes on Income	\$ 1,988	\$ (608)	\$ 950	\$ 2,330
Provision for taxes on income	682	0 G	116	798
Net income	<hr/> \$ 1,306	\$ (608)	\$ 834	<hr/> \$ 1,532
Earnings per share	<hr/> \$ 0.33		<hr/> \$ 0.39	

ASTRONICS CORPORATION

Notes to Pro Forma Financial Statements

Note A The pro forma information for the year ended December 31, 1994, is based on the audited financial statements of Astronics Corporation and Loctite Luminescent Systems, Inc. after giving effect to the adjustments described in Note B. The pro forma information for the nine months ended September 30, 1995, are based on information filed on form-10 QSB for Astronics Corporation and the audited financial

statements for Loctite Luminescent Systems, Inc. after giving effect to the adjustments described in Note B. The unaudited pro forma financial statements include all the adjustments, which are of a normal recurring nature, which management considers necessary for the fair presentation of the financial position of operations for this period.

The pro forma financial statements may not be indicative of the results that actually would have occurred if the transactions had occurred on January 1, 1994 and do not project Astronics Corporation's financial position or results of operations at any future date or period then ended. The pro forma financial statements should be read in conjunction with the financial statements and related notes contained elsewhere herein and in the 1994 annual report of Astronics Corporation.

Note B The accompanying pro forma combined financial statements include adjustments to increase (decrease) pro forma combined data as follows:

- A. To record the purchase of the assets of Loctite Luminescent Systems, Inc.
- B. To eliminate the items not purchased in the acquisition.
- C. To adjust for personnel changes at the time of acquisition.
- D. To adjust depreciation to reflect the new cost basis of equipment.
- E. To reflect the interest on the loan utilized in the acquisition.
- F. To eliminate intercompany items that affected only Loctite Luminescent Systems, Inc.
- G. To adjust taxes to reflect the net effect of the above adjustments.

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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 hereunto duly authorized.

ASTRONICS CORPORATION

ASTRONICS CORPORATION  
(Registrant)

Date: February 5, 1996

By: John M. Yessa  
John M. Yessa  
Vice President-Finance

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Consent of Ernst & Young LLP

We consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-65141) of Astronics Corporation of our report dated December 8, 1995 relating to the financial statements of Loctite Luminescent Systems, Inc., which appears on page 4 of this Current Report on Form 8-K/A of Astronics Corporation dated November 29, 1995.

ERNST & YOUNG LLP  
February 5, 1996



