SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-QSB

(Mark One)

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

For the fiscal quarter ended September 28, 1996

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

For the transition period from ________________ to ______________

Commission file number 0-7087

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

New York	16-0959303
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

1801 Elmwood Avenue, Buffalo, New York	14207
(Address of Principal Executive Office)	(Zip Code)

716-447-9013
____
(Registrant's Telephone Number, Including Area Code)

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

$.01 par value Common Stock, $.01 par value Class B Stock
____
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

As of September 28, 1996, 4,083,320 shares of $.01 par value common stock and 743,853 shares of $.01 par value Class B common stock were outstanding.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

ASTRONICS CORPORATION

Consolidated Balance Sheet
September 28, 1996
With Comparative Figures for December 31, 1995

ASSETS

	(Dollars in Thousands) September 28, 1996 (Unaudited)	December 31, 1995
Current Assets:		
Cash	$ 480	$ 772
Accounts receivable	4,546	4,874
Inventories:		
Finished goods	2,515	2,454
Work in process	809	1,081
Raw material	2,153	2,765
Prepaid expenses	558	646
Total current assets	11,061	12,592
Property, Plant and Equipment	31,322	31,134
Less accumulated depreciation and amortization	13,693	14,858
Net property, plant and equipment	17,629	16,276
Other Assets	1,964	1,947
	$30,654	$30,815

See notes to financial statements.

ASTRONICS CORPORATION

Consolidated Balance Sheet
September 28, 1996
With Comparative Figures for December 31, 1995

LIABILITIES AND SHAREHOLDERS' EQUITY

	(Dollars in Thousands) September 28, 1996 (Unaudited)	December 31, 1995
Current Liabilities:		
Current maturities of long-term debt	$ 2,240	$ 2,266
Accounts payable	2,697	2,524
Accrued expenses	1,681	1,449
Income taxes	236	252
Total current liabilities	6,854	6,491
Long-Term Debt	7,908	9,713
Long-Term Obligations under Capital Leases	1,709	2,010

Deferred Income Taxes	970	875
Shareholders' Equity:		
Common stock, $.01 par value Authorized 10,000,000 shares, issued 4,274,241 in 1996, 3,301,751 in 1995	43	33
Class B common stock, $.01 par value Authorized 5,000,000 shares, issued 743,853 in 1996, 814,908 in 1995	7	8
Additional paid-in capital	2,114	2,046
Retained earnings	11,857	10,447
	14,021	12,534
Less shares in Treasury, at cost	808	808
Total shareholders' equity	13,213	11,726
	$30,654	$30,815

See notes to financial statements.

ASTRONICS CORPORATION

Consolidated Statement of Income and Retained Earnings
Period Ended September 28, 1996
With Comparative Figures for 1995

(Dollars in Thousands)
(Unaudited)

	NINE MONTHS		THREE MONTHS	
	1996	1995	1996	1995
Net Sales	$28,347	$19,716	$9,095	$6,266
Costs and Expenses:				
Cost of products sold	20,427	13,791	6,544	4,376
Selling, general and administrative expenses	5,131	4,073	1,305	1,045
Interest expenses, net of interest earned of $14 in 1996 and $97 in 1995	657	319	203	105
Total costs and expenses	26,215	18,183	8,052	5,526
Income before provision for taxes on income	2,132	1,533	1,043	740
Provision for taxes on income	711	618	365	273
Net Income	1,421	915	678	467

Retained Earnings:				
January 1	10,447	8,687		
Less stock distribution	(11)	--		
September 28	$11,857	$9,602		
Income per Common Share	$ .27	$ .19	$ .13	$ .10

See notes to financial statements.

ASTRONICS CORPORATION

Consolidated Statement of Cash Flows
Six Months Ended September 28, 1996
With Comparative Figures for 1995

(Dollars in Thousands)
(Unaudited)

	1996	1995
Cash Flows from Operating Activities:		
Net income	$ 1,421	$ 915
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,901	1,986
Provision for doubtful accounts	65	229
Provision for deferred taxes	95	(278)
Cash flows from changes in operating assets and liabilities:		
Accounts receivable	263	(67)
Inventories	822	(186)
Prepaid expenses	88	(953)
Accounts payable	173	96
Accrued expenses	232	(43)
Income taxes payable	(16)	(256)
Net Cash provided (used) by Operating Activities:	$ 5,044	$ 1,443
Cash Flows from Investing Activities:		
Proceeds from sale of assets	219	10
Change in other assets	(201)	(19)
Capital expenditures	(3,289)	(2,705)
Net Cash provided (used) by Investing Activities	$ (3,271)	$ (2,714)
Cash Flows from Financing Activities:		
Principal payments on long-term debt and capital lease obligations	(2,131)	(1,670)
Proceeds from issuance of stock	68	160
Fractional shares on distribution	(2)	--
Purchase of stock for Treasury	--	(444)
Net Cash provided (used) by Financing Activities	$ (2,065)	$ (1,954)
Net increase (decrease) in Cash and Cash Equivalents	(292)	(3,225)

Cash and Cash Equivalents at Beginning of Year	772	3,520
Cash and Cash Equivalents at September 28	$ 480	$ 295
	==========	=========
Disclosure of cash payments for:		
Interest	$ 687	$ 426
Income taxes	897	1,144

See notes to financial statements.

ASTRONICS CORPORATION

Notes to Financial Statements

September 28, 1996

1) The interim financial statements are unaudited, but, in

the opinion of management, reflect all adjustments necessary for a fair presentation of results for such periods. The results of operations for any interim period are not necessarily indicative of results for the full year. These financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company's annual report for the year ended December 31, 1995.

2) The financial statements include the results of operation of the acquisition of Loctite Luminescent Systems, Inc. from November 29, 1995 forward.

3) On October 31, 1996, the Company signed an agreement that sold its Rodgard Division's business to Hutchinson Industries, Inc. for $2,250,000. The effective date for this transaction was September 29, 1996.

ASTRONICS CORPORATION

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

The following table sets forth as a percent of net sales certain items reflected in the financial data and the percentage increase (decrease) of such items as compared to the prior period.

	Percent of Net Sales Nine Months Ended September 28,		Period-to-Period Increase (Decrease)
	1996	1995	1995-1996
Net Sales:			
Electronic Systems	55.5%	41.3%	93.1%
Customized Printing and Packaging	44.5	58.7	9.1%

	100.0%	100.0%	43.8%
Cost of products sold	72.1	69.9	48.1%
Selling, general and administrative expenses	18.1	20.7	26.0%
Interest expenses, net	2.3	1.6	105.9%
	92.5%	92.2%	44.2%
Income before provision for income taxes	7.5%	7.8%	39.1%
Provision for taxes	2.5	3.1	15.1%
Net Income	5.0%	4.7%	55.3%

SALES In November, 1995, the Company purchased the electroluminescent business of Loctite Corporation. The financial information from this business is included in the 1996 financials. As a result of the acquisition, the Electronic Systems segment is now the largest of the two segments. Another result of the acquisition is the smoothing of the quarterly sales as the seasonal business of the Specialty Packaging and Printing segment's confectionery business is a smaller piece of the new consolidated sales.

On October 31, 1996, the Company sold its elastomeric business, with an effective date of September 29, 1996. Therefore, there will be no sales from this former division in the fourth quarter. The division had shipped $1,500,000 through nine months, and it was budgeted to continue at that pace in the fourth quarter. Also, the gain in sales growth will slow in this quarter as the sales from the acquisition mentioned above were reflected in the 1995 fourth quarter, November 29.

New records for sales were established for the Third Quarter and the first nine months of the year in 1996: $9,095,000, an increase of 45.1 percent for the quarter and $28,437,000, an increase of 43.8 percent for the nine months. A large portion of the 1996 sales increase is in the Electronic Systems segment reflecting the acquisition mentioned above.

Sales within the Electronics Systems segment increased in the electroluminescent lamp and related products areas while sales decreased in keyboard applications as well as in thick walled elastomeric products. Sales to aircraft manufacturers increased over the previous year, while defense electronics sales decreased. The Specialty Packaging and Printing segment grew 9.1 percent, mainly in the folding carton area. Pricing adjustments are nominal as competitive pricing remains a major factor in maintaining current business and in obtaining new business.

In 1995, Sales increased 12.7 percent for the first nine months of the year, compared to a decrease of 1.3 percent in 1994. Sales increased in the Electronic Systems segment by 23.4 percent in the 1995 period compared to a decrease of 7.9 percent in 1994. Specialized Packaging and Printing sales increased 6.1 percent in the 1995 period and 3.1 percent in the 1994 period. In the Electronics Systems segment, sales increased in 1995 to defense electronics customers and to the international market for runflats. The Specialty Packaging and Printing segment's sales increased about equally between folding carton sales to the confectionery industry and from specialty imprinting for the stationery, party and gift market.

BACKLOG The Company's backlog at September 28, 1996, was $10,200,000 compared to the 1995 backlog of $6,400,000, an increase of 54.9 percent. At December 31, 1995, the backlog was $9,000,000. The backlog is mainly in the Electronic Systems segment, $8,500,000, where longer

lead times apply to the manufacturing process. The company also works on a number of development contracts which can run for several months depending on the complexity of the project. The backlog for Specialized Packaging and Printing is $1,700,000. Last year these backlogs were $4,000,000 and $2,400,000 respectively.

EXPENSES Cost of products sold increased, as a percentage of sales, 48.1 percent in 1996, compared to a sales increase of 43.8 percent. In 1995, cost of goods sold increased 10.0 percent on a sales increase of 12.7 percent. In 1996, these costs are being affected by the tooling and start-up costs necessary to fully implement the upgrading processes and technology investments in the Specialized Packaging and Printing segment and the transition costs related to the November electroluminescent acquisition and a heavier commitment to research and development in the Electronics Systems segment.

Material costs increased slightly in the 1996 period to 25.3 percent compared to 25.0 percent in 1995 and 27.2 percent in 1994. This change in material usage reflects product mix changes, with the increased sales in the Electronic Systems segment. Employee costs increased in 1996 to 26.4 percent from 23.4 percent in 1995, and 23.9 percent in 1994. This increase results from more development contracts in process and a larger commitment to research and development. Facility costs, reflecting the rental of the facility in New Hampshire, increased 98.5 percent to 6.9 percent of sales in 1996, compared to 5.0 percent in 1995, and 4.5 percent in 1994. Although the Company invested heavily in equipment in 1995, depreciation as a percent of sales decreased to 5.6 percent of sales in 1996, compared to 8.7 percent in 1995, and 7.7 percent in 1994, reflecting the substantial increase in sales and the leasing of the facility in New Hampshire. Other costs increased at a similar rate or a lower rate than the growth of sales. Product mix always has an effect on the various components of cost of goods sold. With the substantial sales increase in the Electronics Systems Segment, the product mix has shifted costs in various areas and is reflecting differing contributions to the gross profit line. The total costs for the first nine months of 1996 were $20,427,000, or 72.1 percent of sales, compared to $13,791,000 in 1995, and 12,539,000 in 1994. Gross profit increased 33.7 percent to $7,920,000 in 1996, compared to $5,925,000 in 1995, and $4,963,000 in 1994.

Selling, general and administrative expenses continued to decrease as a percentage of sales: 18.1 percent in 1996, 20.7 percent in 1995, and 22.5 percent in 1994. The majority of these costs are for employee services, marketing expenses, and operating supplies. The Company has a policy that it reserves all trade receivables over 150 days (180 days in 1995), or earlier if there are substantial questions.

During the first nine months of 1996, $105,000 was expensed compared to $253,000 in 1995, and $182,000 in 1994. While the Company makes every effort to collect all receivables, it believes it is prudent to adequately reserve accounts that are not collected in a reasonable timeframe. Employee costs, while the major expense in this area, have decreased as a percent of sales: 10.6 percent in 1996, 11.3 percent in 1995, and 11.3 percent in 1994. Other cost areas are minor or had nominal changes as a percent of sales. The total dollars spent in this area was $5,131,000 in 1996, $4,073,000 in 1995, and $3,929,000 in 1994. The operating income was $2,789,000, or 9.8 percent in 1996, compared to $1,852,000, or 9.4 percent in 1995, compared to $1,034000, or 5.9 percent in 1994.

INTEREST Interest costs, net, increased 106.0 percent in 1996 to $657,000, compared to $319,000 in 1995, a decrease of 22.4 percent from 1994's costs of $411,000. The 1996 increase reflects the financing of the November 1995 acquisition. As a percent of sales, net interest costs were 2.3 percent of sales in 1996, 1.6 percent in 1995, and 2.4 percent in 1994. While the Company increased its borrowing for the acquisition and for working capital in late 1995, and early 1996, it has steadily reduced prior debt as scheduled. The Company has reduced long-term indebtedness by $2,131,000 in 1996, compared to $1,670,000 in 1995. The new loans are at LIBOR plus 125 basis points.

SUMMARY When the all of the above is combined, the Company earned, before provision for taxes, $2,132,000, or 7.5 percent of sales in 1996, $1,533,000, or 7.8 percent of sales in 1995, and $946,000, or 5.4 percent of sales in 1994.

TAXES The Company's tax provision for 1996 takes into consideration both the 1995 and 1996 favorable tax adjustments made by New York State. In 1995, the Company did not reflect the tax changes until later quarters. Also, the Company reduced its reserve for potential tax adjustments based on the latest information. The Company is undergoing a

New York State tax audit, but it does not anticipate a material change in the tax liability. The tax provision, as a percentage of sales, is 2.5 percent in 1996, 3.1 percent in 1995, and 2.1 in 1994. The Company records its tax expense under the FASB 109 guidelines.

NET INCOME Net income for the first nine months of 1996 was $1,421,000, or $.27 per share, compared to $915,000, or $.19 per share in 1995, and $578,000, or $.12 per share in 1994. Earnings per share have been restated to reflect the Company's 25 percent share distribution to shareholders of record on August 30, 1996.

LIQUIDITY The Company's cash decreased in the first nine months of 1996 by $292,000, compared to a decrease of $3,225,000 in the same time period in 1995. The Company's ongoing operations generated cash of $5,044,000 in the first nine months of 1996, compared to $1,443,000 in 1995, and $2,415,000 in 1994. The Company's investment in new equipment was $3,289,000 in 1996, compared to $2,705,000 in 1995, and $1,176,000 in 1994. The Company anticipates that it will spend approximately of $4,000,000 during the 1996 fiscal year. The Company reduced its scheduled indebtedness and its revolving line of credit borrowing in the first nine months of 1996 by $2,131,000, compared to $1,670,000 in 1995, and $1,430,000 in 1994. The Company has an $11,000,000 revolving line of credit available for additional working capital needs, of which it had utilized $6,350,000 as of September 28, 1996. The Company feels that its cash balance, the cash flow from internal operations and the available amount on the revolving line of credit are adequate to meet the Company's operational and investment plans for 1996.

COMMITMENTS The Company has commitments for items that it purchases in the normal ongoing affairs of the business. As of September 28, 1996, it has a commitment for $750,000 for a building addition in the Specialty Packaging and Printing Segment, which is anticipated to be completed in the Fourth Quarter of this year. Also outstanding were commitments for equipment of $2,000,000, including $1,500,000 for delivery of equipment in the First Quarter of 1997. The Company is not aware of any obligations in excess of normal market conditions, nor of any long-term commitments that would affect its financial condition.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 2. Changes in Securities.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Securities Holders.

None.

Item 5. Other Information.

None.

Item 6. Exhibits and Reports on Form 8-K.

None.

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.

DATED: November 13, 1996

ASTRONICS CORPORATION

(Signature)

John M. Yessa
Vice President-Finance and Treasurer

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