SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10 - K

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

For the fiscal year ended: December 31, 1999

Commission file number: 0-7087

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

New York
(State or other jurisdiction of incorporation or organization)

16-0959303
(I.R.S. Employer Identification No.)

1801 Elmwood Avenue
Buffalo, New York 14207
(Address of principal executive office)

Registrant's telephone number including area code (716) 447-9013

Securities registered pursuant to Section 12(b) of the Act: None

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 twelve months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days.

Yes X No
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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. (X)

As of March 3, 2000, 5,023,037 shares of Common Stock and 661,181 shares of Class B Stock were outstanding, and the aggregate market value of the shares of Common Stock and Class B Stock (assuming conversion of all of the outstanding Class B Stock into Common Stock) of Astronics Corporation held by non-affiliates was approximately $51,868,489.

DOCUMENTS INCORPORATED BY REFERENCE.

Portions of the Company's 1999 Annual Report to Shareholders are incorporated into Parts II and III of this Report. Portions of the Company's Proxy Statement for the 2000 Annual Meeting of Shareholders dated March 13, 2000 are incorporated by reference into Part III of this Report.

PART I

Item 1. BUSINESS

Profile

Astronics Corporation ("Astronics" or "Company"), a New York corporation formed in 1968, is a diversified manufacturing company engaged principally in the design, manufacture and marketing of products and processes in two business segments: "Aerospace and Electronics" and "Specialty Packaging." The Aerospace and Electronics segment is involved in the design, manufacture, and marketing of advanced technology products. Major applications include specialized lighting systems and ruggedized electro-mechanical assemblies. The Specialty Packaging segment is predominantly a direct marketing provider of proprietary designs of paperboard folding boxes and paper products.

Aerospace and Electronics

Astronics' Aerospace and Electronics segment has led the industry with integrated lighting systems for over 20 years. The Company supplies integrated cockpit lighting systems, external and interior cabin lighting and escape path lighting for over 300 airlines around the world. As a premier supplier to both military and commercial aircraft, the Company is involved with exciting cutting edge programs that include lighting systems for Lockheed's F-22 fighter and Embraer's newest family of commuter jets. Astronics' Aerospace and Electronics segment has also penetrated the fast growing portable electronics market with electroluminescent lighting designed for LCD's, remote controls, instrumentation and communication devices.

Deliveries on Astronics' $50 million multi-year contract for cockpit lighting upgrades of F-16 fighter jets began during 1999. These upgrades, for which Astronics' Aerospace and Electronics segment is the prime contractor, provide the correct instrument lighting for night vision operations. The technology and manufacturing processes that have been developed for this project over the last 18 months have advanced our capabilities for future growth in other applications and markets. Approximately 34 percent of the segment's sales are defense-related and 31 percent of sales are international.

In accordance with Astronics' philosophy of investing in anticipation of the market, the Aerospace and Electronics segment has doubled its manufacturing capacity with new facilities in Lebanon, New Hampshire and East Aurora, New York. These investments were significant, amounting to one-half of the segment's revenue for 1999.

Specialty Packaging

Astronics' Specialty Packaging segment is a world-class provider of paperboard folding cartons and other specialty paper products that are used for a wide range of applications by a diverse customer base. By providing technically superior products at a competitive price on a just in time basis, the Company has achieved a leadership position in the markets served. In many cases the Company is either the sole or preferred supplier to such leading companies as Hershey Foods and Staples Office Superstores.

For over 25 years, the Specialty Packaging segment has experienced year over year double digit growth in sales revenue. This growth rate is greater than twice the industry average. In 1999 sales were up 9 percent and operating earnings were at 19 percent of sales.

Competitive Conditions

Astronics experiences considerable competition in its segments, principally in the areas of product performance and price, from various competitors, many of which are substantially larger and have greater resources. Success in the Aerospace and Electronics segment depends upon product innovation, customer support, responsiveness, and cost management. Astronics continues to invest in developing the tools critical to competing in today's worldwide markets. Success in Specialty Packaging is dependent upon competitive pricing, innovative and responsive customer support and short lead time delivery performance. Astronics has invested and will continue to invest in state-of-the-art process and systems technology.

Raw Materials

On February 14, 2000, a jury found Osram Sylvania, Inc. guilty of patent infringement in the manufacturing of encapsulated phosphors used by the Aerospace and Electronics segment in its MaxEL lamp product line. As a result of the court decision, the Company needed to substitute another phosphor for this product line. The Company has tested alternative formulations that meet its needs. Therefore, the Company has not experienced a production disruption. The cost of the alternative phosphor is similar to the previous encapsulated phosphor.

Other materials, supplies and components are available and purchased from a wide variety of sources, the loss of any one of which would not materially affect the Company's operations.

Patents

The Company has a number of patents and has filed numerous applications for others. While the aggregate protection of these patents is of value, the Company does not consider that the successful conduct of any material part of its business is dependent upon the protection afforded by these patents. The Company's patents and patent applications relate to electroluminescence, instrument panels, keyboard technology and various components used in their manufacture. The Company regards its expertise and techniques as proprietary and relies upon trade secret laws and contractual arrangements to protect its rights.

Research Activities

The Company is engaged in a variety of research and development activities directed to the improvement and application of the Company's technologies. The extent of the Company's engagement in pure research, however, is not material.

Employees

The Company employed approximately 521 employees as of December 31, 1999, including 299 in the Aerospace and Electronics segment, 216 in the Specialty Packaging segment and 6 at the corporate level, compared to 531 as of December 31, 1998, including 298 in the Aerospace and Electronics segment, 226 in the Specialty Packaging segment and 7 at the corporate level as of that date. The Company considers its relations with its employees to be good.

Working Capital

Inventories and receivables are the major components of the Company's working capital, reflective of the production cycle of the Company's products and anticipated production required for the seasonal aspects of the Company's packaging products and customers payments within their normal payment terms.

Financial Information about Industry Segments

Sales, income before taxes and identifiable assets, along with other information, attributable to each of the Company's industry segments for each of the last three years as of December 31, 1999 appear on page 17 of the Company's Annual Report to Shareholders for the fiscal year ended December 31, 1999, submitted herewith as an exhibit and incorporated by reference.

Order Backlog

The backlog of orders as of December 31, 1999 was approximately $40,198,000 ($39,038,000 related to the Aerospace and Electronics segment and $1,160,000 related to the Specialty Packaging segment), $31,875,000 is expected to be filled in the current fiscal year. This compares to $29,887,000 ($28,779,000 related to the Aerospace and Electronics segment and $1,108,000 related to the Specialty Packaging segment) as of December 31, 1998.

Item 2. PROPERTIES

Corporate Headquarters

The Company's corporate office occupies approximately 2,000 square feet at 1801 Elmwood Avenue, Buffalo, NY 14207, in a building which is shared with the Specialty Packaging segment.

Aerospace and Electronics

The Company owns manufacturing and office facilities of approximately 115,000 square feet in the Buffalo, New York area and 80,000 square feet in Lebanon, New Hampshire.

Specialty Packaging

The Company owns buildings totaling approximately 437,000 square feet in the Buffalo, New York area for its manufacturing and office facilities. Currently, about 25 percent of the building space is under lease to others.

The Company believes that its properties are suitable and adequate for the purpose for which they are employed. Additions and expansions are made as needed. In general, the capacity of the Company's properties are in excess of its current requirements.

Item 3. LEGAL PROCEEDINGS

Rodgard Corporation, formerly a wholly-owned subsidiary of Astronics, and one of its former officers, Mason C. Winfield ("Plaintiffs"), instituted an action against Miner Enterprises, Inc. and David G. Anderson ("Defendants") on April 10, 1984, in the United States District Court of the Western District of New York, seeking damages for breaches of confidentiality agreements and seeking to be declared a co-inventor of a David G. Anderson patent. Defendants counterclaimed for unspecified damages alleging that the Plaintiffs breached a confidentiality provision in a consulting agreement between Winfield and Miner. The Court determined that neither side had a sufficient case to enable awards. The case was appealed by the Plaintiffs to the Federal Court of Appeals.

On March 13, 1997 the Court of Appeals remanded the case to the District Court to permit Plaintiffs to initiate discovery related to Defendants' foreign patents. After discovery, the District Court granted the Defendants' motion to dismiss the claims which had been remanded. The Company again appealed to the Court of Appeals. On October 5, 1999, the Court of Appeals affirmed, without opinion, the dismissal of all claims in the case, thus concluding the litigation.

Except for the matter described above, there are no material pending legal proceedings, other than routine litigation incidental to the business, to which the Registrant or any of its subsidiaries is a party or of which any of their property is the subject.

Item 4. SUBMISSION OF MATTERS TO A
VOTE OF SECURITY HOLDERS

Not applicable.

Executive Officers of the Company

The following table sets forth the names and ages of all executive officers of the Company and certain information relative to their positions with the Company and prior employment history during at least the past five years:

Name	Age	Position with the Company and Prior Employment History
Kevin T. Keane	67	Chairman of the Board, President, Chief Executive Officer and Director.
John M. Yessa	60	Vice President of Finance, Treasurer, Chief Financial Officer and Director.

PART II

Item 5. MARKET FOR THE COMPANY'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Information with respect to the market price of and dividends on the Company's Common Stock and related shareholder matters appears on the inside cover and page 19 of the Company's Annual Report to Shareholders for the fiscal year ended December 31, 1999, submitted herewith as an exhibit and incorporated by reference.

Item 6. SELECTED FINANCIAL DATA

Selected Financial Data appears on page 19 of the Company's Annual Report to Shareholders for the fiscal year ended December 31, 1999, submitted herewith as an exhibit and incorporated by reference.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis of financial condition, changes in financial condition and results of operations appears on pages 20, 21, 22 and 23 of the Company's Annual Report to Shareholders for the fiscal year ended December 31, 1999, submitted herewith as an exhibit and incorporated by reference.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk disclosures appears on page 23 of the Company's Annual Report to Shareholders for the fiscal year ended December 31, 1999, submitted herewith as an exhibit and incorporated by reference.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Financial Statements of Astronics Corporation which are incorporated by reference in this Annual Report on Form 10-K are described in the accompanying Index to Financial Statements at Item 14 of this Report.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

The information regarding directors is contained under the captions "Election of Directors" and "Record Date and Voting Securities" in the Company's definitive Proxy Statement dated March 13, 2000 and is incorporated herein by reference.

Certain information regarding executive officers is contained under the captions "Executive Compensation" and "Record Date and Voting Securities" in the Company's definitive Proxy Statement dated March 13, 2000 and on the back inside cover of the Company's Annual Report to Shareholders for the fiscal year ended December 31, 1999, submitted herewith as an exhibit, which are both incorporated herein by reference.

Item 11. EXECUTIVE COMPENSATION

The information contained under the caption "Executive Compensation" in the Company's definitive Proxy Statement dated March 13, 2000 is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required is contained under the caption "Record Date and Voting Securities" in the Company's definitive Proxy Statement dated March 13, 2000, and is hereby incorporated by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

As of March 13, 2000, the Company knows of no relationships required to be disclosed pursuant to Item 404 of Regulation S-K.

PART IV

Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) The documents filed as a part of this report are as follows:

1. Financial Statements

2. Financial Statement Schedules

See Index to Financial Statements and Financial Statement Schedules

All other consolidated financial schedules are omitted because they are inapplicable, not required, or the information is included elsewhere in the consolidated financial statements or the notes thereto.

3. Exhibits

Exhibit No.	Description
3(a)	Restated Certificate of Incorporation, as amended; incorporated by reference to exhibit 3(a) of the Registrant's December 31, 1988 Annual Report on Form 10-K.
(b)	By-Laws, as amended; incorporated by reference to exhibit 3(b) of the Registrant's December 31, 1996 Annual Report on Form 10-K.
10.1	Restated Thrift and Profit Sharing Retirement Plan; incorporated by reference to exhibit 10.1 of the Registrant's December 31, 1994 Annual Report on Form 10-KSB.
10.3	Incentive Stock Option Plan; incorporated by reference to the Registrant's definitive proxy statement dated March 26, 1982.

10.4	Director Stock Option Plan; incorporated by reference to the Registrant's definitive proxy statement dated March 16, 1984.
10.5	Employment Contract of Kevin T. Keane; incorporated by reference to Exhibit 10.5 of the Registrant's registration statement on Form S-2 (No. 33-8040).

10.7	Employment Contract of John M. Yessa; incorporated by reference to Exhibit 10.7 of the Registrant's registration statement on Form S-2 (No. 33-8040).
10.10	1992 Incentive Stock Option Plan; incorporated by reference to the Registrant's definitive proxy statement dated March 30, 1992.
10.11	1993 Director Stock Option Plan; incorporated by reference to the Registrant's definitive proxy statement dated March 19, 1993.
10.12	1997 Director Stock Option Plan; incorporated by reference to the Registrant's definitive proxy statement dated March 14, 1997.
10.13	Non-Qualified Supplemental Retirement Plan; filed herewith.
13	1999 Annual Report to Shareholders; filed herewith. (Except for those portions which are expressly incorporated by reference in this Annual Report on Form 10-K, this exhibit is furnished for the information of the Securities and Exchange Commission and is not deemed to be filed as part of this Annual Report on Form 10-K.)
21	Subsidiaries of the Registrant; filed herewith.
23	Consent of Independent Auditors; filed herewith.
27	Financial Data Schedule; filed herewith.

(b) Reports on Form 8-K

None

ASTRONICS CORPORATION

INDEX TO FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

The financial statements, together with the report thereon of Ernst & Young LLP dated January 20, 1999, appearing on pages 6 to 18 of the accompanying 1999 Annual Report to Shareholders are incorporated by reference in this Annual Report on Form 10-K.

Financial schedules for the years 1999, 1998 and 1997:

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SCHEDULE II

ASTRONICS CORPORATION

VALUATION AND QUALIFYING ACCOUNTS

<TABLE>
<CAPTION>

(in thousands)

Year	Description	Balance at the Beginning of Period	Charged to Costs and Expense	Write-offs/ Recoveries	Balance at End of Period
<S>	<C>	<C>	<C>	<C>	
1999	Allowance for Doubtful Accounts	$238	$ (55)	$ (5)	$178
1998	Allowance for Doubtful Accounts	$227	$ 74	$ (63)	$238
1997	Allowance for Doubtful Accounts	$404	$ 111	$ (288)	$227

</TABLE>

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on March 24, 2000.

Astronics Corporation

By /s/ Kevin T. Keane	By /s/ John M. Yessa
Kevin T. Keane, President and Chief Executive Officer	John M. Yessa, Vice President-Finance and Treasurer, Principal Financial and Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Robert T. Brady Robert T. Brady	Director	March 24, 2000
/s/ John B. Drenning John B. Drenning	Director	March 24, 2000

/s/ Kevin T. Keane ---------------------- Kevin T. Keane	Director	March 24, 2000
/s/ Robert J. McKenna ---------------------- Robert J. McKenna	Director	March 24, 2000
/s/ John M. Yessa ---------------------- John M. Yessa	Director	March 24, 2000

ASTRONICS CORPORATION

INDEX TO EXHIBITS

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23 Consent of Independent Auditors; filed herewith.

27 Financial Data Schedule; filed herewith.

ASTRONICS CORPORATION SUPPLEMENTAL RETIREMENT PLAN

(ADOPTED: DECEMBER 17, 1999)

ARTICLE I

Purpose, Definitions, Administration, Amendment

This Astronics Corporation Supplemental Retirement Plan is an unfunded plan, not intended to qualify under the Internal Revenue Code, maintained for the purpose of providing additional retirement benefits for a select group of management or highly compensated employees of Astronics Corporation, and participation in the Astronics Corporation Supplemental Retirement Plan is limited consistent with that purpose. Benefits under the Astronics Corporation Supplemental Retirement Plan are intended to supplement benefits provided under the ATRO Companies Profit-Sharing Plan/401(k) Plan and benefits received from Social Security.

The following words and phrases as used herein have the following meanings:

"Cause" means any act that is materially inimical to the best interests of the Company and that constitutes, on the part of Participant, intentional or grievous wrong, including but not limited to, common law fraud, a felony, or other gross malfeasance of duty.

"Change of Control", for purposes of determining whether there has been an Involuntary Termination of Employment Related to a Change of Control, means the transfer in one or more transactions, extending over a period of not more than 24 months of Common Stock of the Company possessing 25% or more of the total voting power of all shares of Common Stock. A transfer shall be deemed to occur if shares of Common Stock are either transferred or made the subject of options, warrants, or similar rights granting a third party the opportunity to acquire ownership or voting control of such Common Stock.

"Common Stock" means the Class A and Class B $.01 par value shares of the capital stock of the Company, as well as all other securities with voting rights or convertible into securities with voting rights.

"Code" means the Internal Revenue Code of 1986, as amended and as it may be amended.

"Company" means Astronics Corporation, as well as any successors or assigns of Astronics Corporation, whether by transfer, merger, consolidation, acquisition of all or substantially all of the business assets, change in identity, or otherwise by operation of law.

"Compensation Committee" means the Executive Compensation Committee of the Board of Directors of the Company, as it is constituted from time to time.

"Eligible Officer" means: (i) an employee of the Company who participates in the ATRO Companies Profit-Sharing Plan/401(k) Plan and who is an officer of the Company; and (ii) an employee of a subsidiary of the Company who participates in the ATRO Companies Profit-Sharing Plan/401(k) Plan, who is an officer or executive of an affiliate or subsidiary of the Company and who the Board of Directors of the Company expressly designates an Eligible Officer.

"Involuntary Termination of Employment" means a severance of the Participant's employment relationship, other than for death, Disability (as defined in Article II), retirement, or Cause, (i) by or at the instigation of Company or (ii) by or at the instigation of Participant where Participant's pay has been diminished or reduced to a greater extent than any diminution or reduction of Company's officers generally.

"Involuntary Termination of Employment Related to a Change of Control" means a termination of the Participant's employment relationship (i) by the

Company within two years after a Change of Control, or (ii) by Participant within two years of the Change of Control in those circumstances where the duties, responsibilities, status, base pay or perquisites of office and employment have been diminished or downgraded, or substantially increased (other than base pay and perquisites) without Participant's actual or implied consent; provided, however, that a general decrease in base pay which is approved by a majority of the affected Participants will be considered as having been consented to for purposes of this Plan.

"ATRO Companies Profit-Sharing Plan/401(k) Plan" means the tax-qualified retirement plan of the Company, as amended and restated effective as of April 1, 1997, as amended and as it may be amended, or any successor tax-qualified retirement plan maintained by the Company, as in effect as of the date that a benefit is calculated under the Plan.

"Participant" means an Eligible Officer who is a Participant in the Plan pursuant to Article II. The word "Participant" includes a person who has ceased to actively participate in the Plan but who has not received payment of all of his Plan benefits.

"Pay" means the base salary paid to the Eligible Officer for a calendar year plus any cash bonus or cash incentive payments earned for or attributable to that year, whether or not such bonus or incentive payments are paid during that year.

"Plan" means the Astronics Corporation Supplemental Retirement Plan, as set forth herein and as it may be amended.

"Spouse" means a surviving spouse who is a beneficiary entitled to receive some or all of the benefits, directly or indirectly, payable under the ATRO Companies Profit-Sharing Plan/401(k) Plan upon the death of a Participant.

"Supplemental Benefit" means the annual income, if any, payable to a Participant or Beneficiary pursuant to Article III of the Plan.

The Plan shall be operated under the direction of the Compensation Committee, which shall have all authority and powers necessary to administer the Plan and construe the Plan terms, make factual determinations, resolve any ambiguities or inconsistencies, determine eligibility for participation or benefits, and decide all questions arising in the Plan administration, interpretation or application. The Compensation Committee's actions or decisions in all matters (other than matters regarding a Participant upon or after the Participant's Involuntary Termination of Employment Related to a Change of Control) shall be final and binding upon all Participants, Spouses or other persons having or claiming an interest in this Plan.

While the Company expects to continue the Plan indefinitely, it reserves the right to amend the Plan at any time and from time to time or to discontinue the Plan at any time, by action of its Board of Directors. No amendment or discontinuance of the Plan shall impair or adversely affect any benefits accrued under the Plan as of the date of such action, except with the consent of the Participant or Spouse entitled to receive such benefits. In the event of an amendment of the Plan affecting benefits, or discontinuance of the Plan, the interest of each Participant shall be determined as if each Participant retired as of the date of such amendment or discontinuance.

ARTICLE II

Eligibility

Each Eligible Officer shall be a Participant eligible for Supplemental Benefits pursuant to Article III of the Plan, provided the Eligible Officer has at least ten years of continuous service with the Company and (except as provided in Article VIII) retires from the service of the Company (i) at age 65 or later or (ii) at age 60 or later with a combined total of age and years of service with the Company at least equal to 90; provided, however, that

Supplemental Benefits shall be payable to an Eligible Officer who has a "Disability" (as defined in the ATRO Companies Profit-Sharing Plan/401(k) Plan), without regard to such Participant's eligibility for early or normal retirement benefits under this Plan. Supplemental Benefits shall be payable to an individual who qualifies as a Spouse at the time of the Participant's death.

Eligibility for the benefits of this Plan is limited to Eligible Officers of the Company and those officers or executives of any affiliate or subsidiary expressly so designated by the Board of Directors of the Company.

ARTICLE III

Benefits

For an Eligible Officer with twenty-five or more years of service with the Company, the Supplemental Benefit payable to the Eligible Officer under this Plan, payable in equal monthly installments for the life of the Participant, shall equal the excess, if any, of "(a)" over "(b)" + "(c)" where "(a)" is sixty-five percent of the average of the highest consecutive three-year Pay paid to such Eligible Officer prior to retirement, "(b)" is an amount equal to the accumulated Company contributions (other than employee pre-tax and after-tax contributions and matching contributions) allocated to an account or accounts

for the Eligible Officer under the ATRO Companies Profit-Sharing Plan/401(k) Plan from time to time, adjusted for earnings each year at the one-year Treasury Bill rate compounded annually and assuming that each year's contributions were deposited on the following March 1st, calculated at the Participant's retirement, converted into an immediate annuity payment in the form of a joint and 100% survivor annuity payable to the Participant and his Spouse based on a discount factor equal to the prime rate as published in the Wall Street Journal on the date of retirement and the 1983 Group Annuity Mortality Tables weighted equally for males and females, and "(c)" is the primary Social Security benefit of such Eligible Officer at age 65. For an Eligible Officer with 10-24 years of service, "(a)" will be determined according to the following schedule:

Years of Service	(a) Total Combined Benefit Target
24	64%
23	63%
22	62%
21	61%
20	60%
19	59%
18	58%
17	57%
16	56%
15	55%
14	54%
13	53%
12	52%
11	51%
10	50%

Early payment of Supplemental Benefits under this Plan shall be made to an Eligible Officer who elects earlier retirement under this Plan; provided, however, that no early payment shall be made unless the Eligible Officer retires from the service of the Company at age 60 or later with a combined total of age and years of service with the Company at least equal to 90; provided, further,

that the Supplemental Benefits payable under this Plan shall be reduced by 0.5% for each full month by which the date of the commencement of benefits precedes the Participant's attainment of age 65. Notwithstanding the foregoing, Supplemental Benefits shall be payable to an Eligible Officer who has a "Disability", without regard to such Participant's eligibility for early or normal retirement benefits under this Plan, and without reduction for early payment.

In the event of commencement of Supplemental Benefits prior to attainment of age 62, the Supplemental Benefit payable under this Plan shall include a Social Security "bridge" payment equal to the amount of the Social Security benefit at age 62, until such time as the Eligible Officer attains age 62.

In the event of commencement of Supplemental Benefits between age 62 and age 65, the Social Security benefit amount to be used in determining the Supplemental Benefit payable under this Plan shall be the Social Security benefit amount payable on the actual date of retirement.

An individual who qualifies as a Spouse shall receive a payment of Supplemental Benefits, payable in equal monthly installments for the life of the Spouse, in an amount equal to 100% of the monthly amount determined under the above benefit formula for the Participant; provided, however, that if the Eligible Officer had not commenced payments under this Plan and had not attained age 65 when he died, the Supplemental Benefits shall be determined as if the Eligible Officer attained age 65 on the day before his death. In the event that the Eligible Officer had not commenced payments under this Plan at the time of death, early payment of Supplemental Benefits under this Plan may be elected by a Spouse who wants to receive survivor benefits before the date the Participant would have attained age 65; provided, however, that the Supplemental Benefits payable under this Plan to the Spouse shall be reduced by 0.5% for each full month by which the date of commencement precedes the date the Participant would have attained age 65.

While receiving Supplemental Benefits under this Plan, Participant and his Spouse shall be entitled to Company paid medical and dental insurance, under medical and dental insurance plans made available to employed officers of the Company from time to time or under an equivalent insurance arrangement.

ARTICLE IV

Time and Form of Benefit Payment

Any benefit under this Plan shall be paid to the Participant or his Spouse in equal monthly installments for the life of the Participant or his Spouse, at such time as elected by the Participant or Spouse, except as otherwise provided in Article III.

ARTICLE V

Funding

This Plan shall be maintained as an unfunded Plan which is not intended to meet the qualification requirements of Section 401 of the Code. All rights of any Participant under this Plan shall at all times be entirely unfunded and no provision shall at any time be made with respect to segregating any assets of the Company for payment of any amounts due hereunder. No Participant shall have any interest in or any rights against any specific assets of the Company, and a Participant shall have only the rights of a general unsecured creditor of the Company. It is intended that the Plan is an unfunded nonqualified deferred compensation arrangement for income tax purposes. No benefits under this Plan shall be payable from the trust fund maintained under or in accordance with the provisions of the ATRO Companies Profit-Sharing Plan/401(k) Plan.

ARTICLE VI

Effective Date

The Effective Date of this Plan shall be December 17, 1999.

ARTICLE VII

Agreement Not to Compete

Payment of benefits under this Plan is contingent upon the Participant's agreement not to directly or indirectly engage in or compete with the business of the Company, either as owner, partner or employee for a period of the later to occur of the expiration of three years after retirement or the attainment of 65 years of age. In the event a Participant shall compete with the business of the Company, payment of benefits under this Plan shall be suspended so long as such Participant engages in activity deemed to be in competition with the business of the Company. Notwithstanding the foregoing, this Article VII shall not apply to a Participant after the Participant's Involuntary Termination of Employment Related to a Change of Control.

ARTICLE VIII

Benefits Upon Certain Terminations or Change of Control

The provisions of this Article VIII shall apply only where there has been an Involuntary Termination of Employment or an Involuntary Termination of Employment Related to a Change of Control.

Upon an Involuntary Termination of Employment, a Participant who would be eligible to receive benefits under this Plan if he was then age 65 or more, shall be vested in his benefits under this Plan upon the Involuntary Termination of Employment and, upon attainment of age 65, shall receive the benefits determined as follows: the benefit payable at age 65 shall be determined under

Article III using the average of the highest consecutive 3-year Pay paid prior to the Involuntary Termination of Employment, instead of the average for the Pay paid prior to retirement, subject to further adjustment by reducing the combined benefit target of Article III (based upon the Participant's years of service) by a factor equal to (i) the benefit target multiplied by (ii) one percent multiplied by (iii) the number of years of the Participant's age under 65 at the time of the Involuntary Termination of Employment. For example, a Participant age 45 at the time of the Involuntary Termination of Employment, with 15 years of service to the Company, upon attaining age 65, would have a combined benefit target of 44 percent (55 percent [for 15 years of service] @ (55 percent x 1 percent x 20 [the difference between 65 years and 45 years old]) = 44 percent) instead of the combined benefit target of 55 percent that would be payable if the Participant were then 65 years of age with 15 years service.

Upon an Involuntary Termination of Employment Related to a Change of Control, a Participant who would be eligible to receive benefits under this Plan if he was then age 65 or more, shall be vested in his benefits under this Plan upon such Involuntary Termination of Employment Related to a Change of Control and, upon attainment of age 65, shall receive such benefits determined as follows: the benefit payable at age 65 shall be determined under Article III using the greater of the average of the highest consecutive 3-year Pay paid prior to such Change of Control or such average for the Pay paid prior to termination of employment.

ARTICLE IX

Miscellaneous

Social Security and ATRO Companies Profit-Sharing Plan/401(k) Plan: Any increases in Social Security benefits payable to a Participant after retirement under this Plan and any increases in the Participant's amounts under the ATRO Companies Profit-Sharing Plan/401(k) Plan after retirement under this Plan shall not be considered in determining any benefits payable under this Plan.

Nonassignability: No interest of any Participant under this Plan, or any right to receive any payment hereunder, shall be subject in any manner to sale, transfer, assignment, pledge, attachment, garnishment, or other alienation or encumbrance of any kind, nor may such interest or right to receive a payment be taken, voluntarily or involuntarily, for the satisfaction of the obligations or debts of, or other claims against such Participant, including, but not limited to, claims for alimony, support, separate maintenance, and claims in bankruptcy proceedings.

Nonguarantee of Employment: This Plan shall not be construed as giving any Participant the right to be retained in the employment of the Company.

Death Benefits: Except as provided in Article III hereof (with respect to the payment of benefits under this Plan to an individual who qualifies as a Spouse at the time of the Participant's death), there shall be no death benefit payable under this Plan.

Deferred Retirement: In the event that a Participant elects a deferred retirement date after age 65, the amount of benefit payable under this Plan shall be the Participant's benefit calculated at the deferred retirement date (rather than age 65) under the benefit formulas in Article III, and the amount of such benefit shall not be further adjusted for the period from age 65 to the deferred retirement date to take into account the delayed commencement date.

EXHIBIT 13

ANNUAL REPORT TO SHAREHOLDERS

A History of Leadership and Growth through World Class manufacturing
Astronics Corporation Annual Report 1999

Astronics Corporation At A Glance

Astronics Corporation is a diversified manufacturing company with a history of sound and consistent growth in sales and earnings. Each of the two segments of the company have leadership positions in the markets they serve. These positions of leadership, gained by supplying technically superior products to selected markets, are essential to both the past and future growth of each business segment.

Astronics diversification in substantially different businesses, Aerospace/ Electronics and Specialty Packaging, is a strategic hedge against a downturn in any single industry. In both business segments the focus is on strong relationships with Astronics' Customers. In many cases, Astronics is the sole or primary supplier. From this vantage point Astronics has made substantial investments in technology and capacity ahead of the market requirements further enhancing its leadership position.

The reinvestment of internally generated funds in capability for known markets has provided Astronics with a sound base from which to plan future growth. The past performance of this diversified manufacturer has earned the Company a coveted position in the Forbes Index of the Best 200 Small Companies.

Performance Highlights

Record Sales for 1999 - Astronics Corporation reported record sales of $50,637,000 while achieving the 22nd consecutive quarterly increase for the trailing 12 months.

Record Earnings for 1999 - The Company earned a record $ .81 per diluted share in 1999 while achieving the 23rd consecutive quarterly increase for the trailing 12 months.

Shareholders' Equity - The Company earned 21.1 percent on beginning shareholders' equity, exceeding 20 percent for the 4th consecutive year.

Forbes names Astronics - Astronics Corporation was again pleased to be named in the November 1, 1999 issue of Forbes magazine as one of the "200 Best Small Companies".

Financial Highlights

(dollars in thousands except for per share data)

	1999	1998	1997	1996	1995
Net Sales	$ 50,637	$ 46,073	$ 40,972	$ 38,371	$ 28,536
Net Income	4,795	4,304	3,551	2,657	1,760
Diluted Earnings Per Share ..	.81	.73	.61	.46	.33
Shareholders' Equity	27,837	2,730	18,198	14,842	11,726
Book Value Per Share	4.90	4.08	3.30	2.71	2.24
Stock Market Price - High ...	12.63	13.30	11.36	5.46	2.82
Stock Market Price - Low	6.69	6.93	4.43	2.55	1.45
Return on Equity	21.1%	23.7%	23.9%	22.7%	17.0%
(on January 1 Equity)					
Return on Sales	9.5%	9.3%	8.7%	6.9%	6.2%

Message to our Shareholders

Our diversified business continues to expand with strength and potential. Further records were set in 1999.

The records include shipments that were up 10 percent and earnings that were up 11 percent. In addition return on equity was 21 percent, return on sales 9.5 percent, earnings per share $.81 and cash flow from operating activities of $1.70 per share.

These achievements occurred during a year in which we concentrated on production expansion and technology advancements, both for process management and for new products. Capital investments in 1999 amounted to $14.6 million, a record 29 percent of sales. Much of the investment focused on the engineering development of new customer programs in specialty packaging and on the launching of the F-16 lighting systems contract in aerospace and electronics.

The year was remarkable in that these significant financial commitments and expense loads were absorbed while realizing another year of financial performance records. At year-end, because of our high cash flow, our indebtedness to capitalization was a stable 36 percent as compared to 35 percent in 1998.

Our backlog at the end of December exceeded $40 million. This, combined with other business opportunities we are pursuing, leads us to believe that shipments in year 2000 should increase significantly to approximately $70 million along with strong earnings to accompany this sales growth. Clearly, we expect another solid year ahead.

Our success results from the efforts of our dedicated employees who tirelessly pursue excellence. Their pride and determination make our opportunities possible and our success obvious.

Kevin T. Keane
President and Chief Executive Officer,
Astronics Corporation
January 21, 2000

Aerospace and Electronics

Peter J. Gundermann
President
Aerospace and Electronics

Product Lines

Electroluminescent Lamps
Cockpit Lighting Systems
Cabin Emergency Lighting
Formation Lighting Systems
Keyboards and Keypads

Astronics' Aerospace and Electronics segment has led the industry with integrated lighting systems for over twenty years. The company supplies integrated cockpit lighting systems, external and interior cabin lighting and escape path lighting for over three hundred airlines around the world. As a premier supplier to both military and commercial aircraft, the Company is involved with exciting cutting edge programs that include lighting systems for Lockheed's F-22 fighter and Embraer's newest family of commuter jets. Astronics' Aerospace and Electronics segment has also penetrated the fast growing portable electronics market with electroluminescent lighting designed for LCD's, remote controls, instrumentation and numerous communication devices.

In accordance with Astronics' philosophy of investing in anticipation of the market, the Aerospace and Electronics segment has doubled it's manufacturing capacity with new facilities in Lebanon, New Hampshire and East Aurora, New York. These investments were significant amounting to one half of the segment's revenue for the year.

Deliveries on Astronics $50 million dollar multi-year contract for cockpit lighting upgrades of F-16 fighter jets began during the year. These upgrades, for which Astronics' Aerospace and Electronics segment is the prime contractor, provide the correct instrument lighting for night vision operations. The technology and manufacturing processes that have been developed for this project over the last eighteen months have advanced our capabilities for future growth in other applications and markets.

The electroluminescent product line continues to grow, particularly in the portable electronics market. With a significant contract from a large watch manufacturer, the Company has begun to penetrate the market for backlighting timepieces as well as LCDdisplays and keypads on cellular phones and personal digital assistants. This is a world wide market that will further enhance our market diversification. Sales of MaxEL lamps were up 300 percent in 1999 and the Company expects them to double in the year 2000.

The Aerospace and Electronics segment of Astronics has grown in both sales and earnings in recent years. Continuous investments in both technology and facilities position the Company well for future growth.

Astronics' Aerospace and Electronics EL lamps can be found in watches, LCD's, remote controls, cell phones and various communication and instrumentation equipment.

Astronics' integrated lighting systems for the Aerospace industry can be found in aircraft cockpits, exteriors, cabins and emergency exit paths.

A History of Leadership, Integrated Lighting Systems for over 20 Years

1995 Acquired Lebanon, New Hampshire electroluminescent operations
1996 Began implementation of ISO 9001 quality standards throughout entire Aerospace and Electronics organization
1997 Unique, Innovative MaxEL product introduced with break through technology of micro encapsulation
1998 Awarded $50 million contract from US Air Force to upgrade F-16 cockpit lighting systems
1999 New facility constructed for New Hampshire operations. New facility constructed for New York operations.

Specialty Packaging

Daniel G. Keane
President
Specialty Packaging

Product Lines

Personalized Retail Packaging
Medical/Consumer Care Products
Food/Confectioner Packaging
Personalized Party and Gift Items
Business/Office Products

Astronics Specialty Packaging is a world class provider of paperboard folding cartons and other specialty paper products that are used for a wide range of applications by a diverse customer base. By providing technically superior products at a competitive price on a just in time basis, the Company has achieved a leadership position in the markets served. In many cases the Company is either the sole or preferred supplier to such leading companies as Hershey Foods and Staples Office Superstores.

For over twenty five years, the Specialty Packaging segment of Astronics has experienced double digit growth in sales revenue. This growth rate is greater than twice the industry average. The trend continued in 1999 with sales up 9 percent and operating earnings at 19 percent of sales.

Many customers are moving from a "made-to-stock" to a retail oriented "made to order" business model. The state of the art Computer to Plate (CTP) capability that was installed over the last two years puts the Company in a unique position to meet these requirements. This complete CTP digital workflow ensures accuracy and quick turn around.

The Company advanced its capability in the area of specialty coatings. The carton perfecting Heidleberg Press, which was the first of it's kind in the Western Hemisphere, is fully operational with the ability to apply a number of coatings to paperboard in one production pass. This coupled with our knowledge of inks and specialty coatings continues to open up a number of exciting growth opportunities in the high-value added segments of the packaging market.

Astronics' Specialty Packaging segment will continue to focus on the strategies and markets that have been so successful in the past. Our customer partnership programs will be continued and expanded. The Company also plans to expand it's participation in the rapidly growing e-commerce business to business market. As one of the premier suppliers to the $7 billion packaging industry, the Specialty Packaging segment of Astronics has exciting growth prospects.

Astronics' Specialty Packaging segment has penetrated the office and school market with an innovative program for short run, custom pocket folders.

A History of Growth, Consistently Growing at over Twice the Industry Average

1995 Installed a five-color Heidelberg Printing Press with specialty coating capabilities Selected as the preferred supplier to Hershey Foods Special Markets Group
1996 Doubled the size of Specialty Packaging facility in Blasdell, New York
1997 Certified to ISO 9001 quality standards Entered the Office Products industry with Staples Office store retail chain
1998 Began program to convert over to CTP (computer to plate) digital workflow for printing plates and cutting dies Installed the first Heidelberg Speedmaster Carton Perfector in North America
1999 Expanded Office Products market as a supplier to Norcom Corporation Awarded a 3 year contract by the Kendall Health Care division of TYCO International as the exclusive folding carton supplier to five of their North Eastern United States operations

Astronics Corporation Financial Review

The following financial statements for Astronics Corporation have been prepared by management and audited by Ernst and Young LLP, independent auditors.

Consolidated Statement of Income
(in thousands, except per share data)

<TABLE>
<CAPTION>

	Year ended December 31,		
	1999	1998	1997
<S>	<C>	<C>	<C>
Net Sales	$50,637	$46,073	$40,972
Cost and Expenses			
Cost of products sold	36,086	31,214	27,543
Selling, general and administrative expenses .	7,362	7,765	7,463
Interest expense, net of interest income of $142, $2 and $14	257	376	437
	43,705	39,355	35,443
Income Before Taxes	6,932	6,718	5,529
Provision for income taxes	2,137	2,414	1,978
Net Income	$ 4,795	$ 4,304	$ 3,551
Earnings per Share			

Basic	$ .86	$ .78	$ .65
Diluted	$ .81	$ .73	$ .61

</TABLE>

See notes to financial statements.

Consolidated Balance Sheet
(in thousands, except share data)
<TABLE>
<CAPTION>

<S>	December 31, 1999 <C>	1998 <C>
Current Assets		
Cash and cash equivalents	$ 1,153	$ 523
Accounts receivable, net of allowance for doubtful accounts of $178 in 1999 and $238 in 1998	6,852	5,435
Inventories	8,721	4,935
Prepaid expenses	455	1,229
Total Current Assets	17,181	12,122
Property, Plant and Equipment, at cost		
Land	1,466	1,115
Buildings and improvements	16,259	10,077
Machinery and equipment	34,144	30,613
Construction in progress	4,087	2,285
	55,956	44,090
Less accumulated depreciation and amortization	19,787	19,096
Net Property, Plant and Equipment	36,169	24,994
Unexpended Industrial Revenue Bond Proceeds	3,508	4,657
Other Assets	2,994	1,934
	$59,852	$43,707
Current Liabilities		
Current maturities of long-term liabilities	$ 762	$ 446
Accounts payable	8,560	2,939
Accrued expenses	2,250	2,085
Income taxes	166	347
Total Current Liabilities	11,738	5,817
Long-term Debt	8,878	11,319
Long-term Obligations under Capital Leases	7,069	789
Supplemental Retirement Plan	2,482	1,625
Other Liabilities	598	357
Deferred Income Taxes	1,250	1,070
Shareholders' Equity		
Common Stock, $.01 par value Authorized 10,000,000 shares, issued 5,327,112 in 1999; 5,225,001 in 1998	53	52
Class B Stock, $.01 par value Authorized 5,000,000 shares, issued 667,326 in 1999; 693,660 in 1998	7	7
Additional Paid-in Capital	2,912	2,681
Retained Earnings	25,727	20,932
	28,699	23,672
Less Treasury Stock: 319,405 shares in 1999; 349,187 shares in 1998, at cost	862	942
Total Shareholders' Equity	27,837	22,730
	$59,852	$43,707

</TABLE>

See notes to financial statements.

Consolidated Statement of Cash Flows
(in thousands)

<TABLE>
<CAPTION>

	Year ended December 31,		
	1999	1998	1997
<S>	<C>	<C>	<C>
Cash Flows from Operating Activities			
Net income	$ 4,795	$ 4,304	$ 3,551
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	3,688	3,114	2,831
Provision for doubtful accounts	(60)	11	(177)
Provision for deferred taxes	180	248	27
Cash flows from changes in operating assets and liabilities, net of the effect of acquired or sold business:			
Accounts receivable	(1,357)	(1,003)	(578)
Inventories	(3,786)	(174)	101
Prepaid expenses	774	(814)	163
Accounts payable	5,621	375	101
Accrued expenses	165	143	185
Income taxes	(181)	(13)	(577)
Supplemental retirement plan and other	241	125	180
Net Cash provided by Operating Activities	10,080	6,316	6,057
Cash Flows from Investing Activities			
Proceeds from sale of assets	68	-	-
Change in other assets	(527)	(474)	(46)
Capital expenditures	(14,607)	(9,686)	(3,060)
Net Cash used by Investing Activities	(15,066)	(10,160)	(3,106)
Cash Flows from Financing Activities			
New long-term debt	7,000	9,250	-
Principal payments on long-term debt and capital lease obligations	(2,845)	(1,194)	(3,146)
Unexpended industrial revenue bond proceeds	1,149	(4,657)	-
Proceeds from issuance of stock	312	234	337
Fractional shares paid on stock distribution	-	(6)	-
Purchase of stock for treasury	-	-	(532)
Net Cash provided (used) by Financing Activities	5,616	3,627	(3,341)
Net increase (decrease) in cash and cash equivalents	630	(217)	(390)
Cash and Cash Equivalents at Beginning of Year	523	740	1,130
Cash and Cash Equivalents at End of Year	$ 1,153	$ 523	$ 740
Disclosure of Cash Payments for:			
Interest	$ 373	$ 413	$ 474
Income taxes	$ 2,134	$ 2,181	$ 2,278

</TABLE>

See notes to financial statements.

Consolidated Statement of Shareholders' Equity
(dollars and shares in thousands)

<TABLE>
<CAPTION>

	Common Stock		Class B Stock		Treasury Stock			
	Shares Issued	Par Value	Shares Issued	Par Value	Shares	Cost	Paid-In Capital	Retained Earnings
	------	-----	------	-----	------	----	-------	--------
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Balance at December 31, 1996	4,519	$ 45	749	$ 7	298	$ 596	$ 2,297	$13,089
Net Income for 1997								3,551
Treasury Stock Sold					(38)	(113)	53	
Treasury Stock Purchased					82	532		
Exercise of Stock Options	91	1					170	
Class B Stock converted to Common Stock	33	-	(33)	-				
Balance at December 31, 1997	4,643	46	716	7	342	1,015	2,520	16,640
Net Income for 1998								4,304
Stock Distribution	537	6			34			(12)
Treasury Stock Sold					(27)	(73)	130	
Exercise of Stock Options	23						31	
Class B Stock converted to Common Stock	22	-	(22)	-				
Blance at December 31, 1998	5,225	52	694	7	349	942	2,681	20,932
Net Income for 1999								4,795
Treasury Stock Sold					(30)	(80)	153	
Exercise of Stock Options	76	1					78	
Class B Stock converted to Common Stock	26	-	(26)	-				
Balance at December 31, 1999	5,327	$ 53	668	$ 7	319	$ 862	$ 2,912	$25,727

</TABLE>

See notes to financial statements.

Notes to Consolidated Financial Statements

Note 1

Summary of Significant Accounting Principles and Practices

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany transactions and balances have been eliminated.

Revenue Recognition

Revenue is recognized on the accrual basis, i.e., at the time of shipment of goods. There are no significant contracts allowing for right of return. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral.

Inventories

Inventories are stated at the lower of cost or market, cost being determined in accordance with the first-in, first-out method. Inventories at December 31 are as follows:

	(in thousands) 1999	1998
	----	----
Finished Goods	$ 1,936	$ 1,357
Work in Progress	1,476	1,064
Raw Material	5,309	2,514
	$ 8,721	$ 4,935

Property, Plant and Equipment

Depreciation of property, plant and equipment is computed on the straight-line method for financial reporting purposes and on accelerated methods for income tax purposes. Estimated useful lives of the assets are as follows: buildings, 10-40 years; and machinery and equipment, 4-10 years. Leasehold improvements are amortized over the terms of the lease or the lives of the assets, whichever is shorter.

The cost of properties sold or otherwise disposed of and the accumulated depreciation thereon are eliminated from the accounts, and the resulting gain or loss, as well as maintenance and repair expenses, are reflected in income. Renewals and betterments are capitalized.

Goodwill

Goodwill is included in other assets, represents the excess of purchase price over the fair value of net tangible assets acquired, net of accumulated amortization, and amounted to $999,000 and $1,049,000 at December 31, 1999 and 1998, respectively. Accumulated amortization amounted to $432,000 and $382,000 at December 31, 1999 and 1998, respectively. These assets are amortized over 15-40 years on a straight-line basis, starting in the year of acquisition.

Income Taxes

The Company files a consolidated federal income tax return. Deferred taxes are computed under Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes".

Earnings Per Share

Earnings per share computations are based upon the following table:

(in thousands, except per share data)

	1999	1998	1997
Net Income	$4,795	$4,304	$3,551
Basic earnings per share weighted average shares, restated for share distributions	5,606	5,542	5,496
Net effect of dilutive stock options ..	337	385	370
Diluted earnings per share weighted average shares	5,943	5,927	5,866
Basic earnings per share	$ 0.86	$ 0.78	$ 0.65
Diluted earnings per share	$ 0.81	$ 0.73	$ 0.61

Cash Equivalents

The Company considers all highly-liquid investments in debt securities with original maturities of three months or less as cash equivalents.

Class B Stock

Class B Stock is identical to Common Stock, except Class B Stock has ten votes per share, is automatically converted to Common Stock when sold or traded, and cannot receive dividends unless an equal or greater amount is declared on Common Stock.

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.

Note 2

Effect of New Accounting Pronouncement

In June 1998, the Financial Accounting Standards Board (FASB) issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires that an entity recognize as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The intended use of the derivative and its designation as either (1) a hedge of the exposure to changes in the fair value of a recognized assets or liability or a firm commitment (a fair value hedge), (2) a hedge of the exposure to variable cash flows of a forecasted transaction (a cash flow hedge), or (3) a hedge of the foreign currency exposure of a net investment in a foreign operation (a foreign currency hedge), will determine when the gains or losses on the derivatives are to be reported in earnings and when they are to be reported as a component of other comprehensive income.

This new standard must be adopted for year 2001 financial reporting. Management has determined that it does not have current transactions that would require reporting under "Accounting for Derivative Instruments and Hedging Activities."

Note 3

Notes Payable

The Company has an unsecured line of credit of $12,000,000, which provides for interest at bank prime or LIBOR plus 60 basis points. The line is available through June 30, 2004 and may be converted into a four year term loan. At December 31, 1999 and 1998, $1,400,000 and $3,800,000, respectively, was outstanding.

Note 4

Long-term Debt

Long-term debt consists of the following:

	(in thousands) 1999	1998
Mortgage payable in installments through 2003 with interest at 11.00%	$ 28	$ 34
Revolver loan with interest at LIBOR plus 100 basis points	1,400	3,800
Urban Development Action Grant financing payable in monthly installments through 2006, with interest at 3%	242	276
Industrial Revenue Tax-Exempt Bonds issued through the Business Finance Authority of the State of New Hampshire payable $400,000 annually starting in 2001 through 2018 with interest reset every seven days. The rate at December 31, 1999 was 5.65%	7,250	7,250
	8,920	11,360
Less current maturities	42	41
	$ 8,878	$ 11,319

The Industrial Revenue Bonds are held by institutional investors and are guaranteed by a bank letter of credit, which is collateralized by certain property, plant and equipment assets. The mortgage payable and the grant are secured by certain property, plant and equipment. The Company's revolver loan, among other requirements, imposes certain covenants with which the Company maintains compliance.

Estimated principal maturities of long-term debt over the next five years are as follows: $42,000; $444,000; $446,000; $446,000; and $1,800,000.

Interest costs of $312,000 and $46,000 were capitalized in 1999 and 1998, respectively.

Note 5

Long-term Obligations Under Capital Leases

The County of Erie, State of New York, has issued Industrial Revenue Development Bonds in connection with the acquisition of certain land, production facilities and equipment. The 1999 Bonds are held by institutional investors and are guaranteed by a bank letter of credit, which is collateralized by certain property, plant and equipment assets. These bear interest at either seven to ten percent, 70 percent of the bank's prime rate, or are reset every seven days. The Company also leases certain other equipment under capital leases from six to ten percent interest.

The following is a schedule by years of future minimum lease payments under the capital leases, together with the present value of the net minimum lease payments as of December 31, 1999:

(in thousands)

Period	Capital Lease
2000	$ 1,074
2001	807
2002	758
2003	722
2004	640
2005-2019	7,015
Net minimum lease payments	11,016
Amounts representing interest	3,227
Present value of net minimum lease payments	$ 7,789

Amounts related to the capital leases included in the Balance Sheet are summarized as follows:

(in thousands)

	1999	1998
Property, Plant and Equipment:		
Land	$ 477	$ 125
Buildings and improvements ...	6,679	2,592
Machinery and equipment	2,838	2,578
	9,994	5,295
Less accumulated depreciation	4,519	4,416
	$ 5,475	$ 879
Debt:		
Current	$ 720	$ 405
Long-term	7,069	789
	$ 7,789	$ 1,194

The Company subleases a portion of these facilities from which they anticipate future total minimum rentals of $1,834,000.

Note 6

Stock Option and Purchase Plans

A summary of the Company's stock option and purchase plans activity, and related information for the years ended December 31 follows:
<TABLE>
<CAPTION>

	1999	1998	1997

	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
	-------	-----	-------	-----	-------	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Outstanding at the beginning of the year	538,690	$2.81	481,026	$2.60	577,233	$2.07
Options granted	110,436	$8.57	67,869	$8.23	47,714	$7.69
Stock distribution	-	-	47,135	$(.25)	-	-
Options exercised	(106,232)	$3.01	(49,942)	$4.69	(128,563)	$2.63
Options expired	(8,587)	$7.82	(7,398)	$8.29	(15,358)	$3.38
Outstanding at the end of the year	534,307	$3.88	538,690	$2.81	481,026	$2.60
Exercisable at December 31	398,696	$2.63	435,221	$2.10	403,156	$2.02

</TABLE>

Exercise prices for options outstanding as of December 31, 1999 range from $.95 to $10.25. The weighted average remaining contractual life of these options is 4.6 years.

In October 1995, The Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 123 "Accounting for Stock-Based Compensation. The Company uses the measurement prescribed by APB Opinion No. 25 which does not recognize compensation expense if the exercise price of the stock option equals the market price of the underlying stock on the date of grant. SFAS No. 123 requires companies that choose to continue using APB Opinion No. 25, and thus not adopting the new fair value accounting rules, to disclose pro forma net income and earnings per share under the new method.

The fair value for these options was estimated at the date of grant using a Black-Scholes option pricing model with the following weighted-average assumptions for 1999; risk-free interest rate of 7.0%; dividend yield of 0%; volatility factor of the expected market price of the Company's common stock of .42; and a weighted average expected life of the option of 4.5 years. The weighted average grant date fair value of options granted during the year was $3.91.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The Company's pro forma information for the year ended December 31, 1999 is as follows: net income $4,568,000; basic earnings per share $.81; and diluted earnings per share $.77. The pro forma effect on earnings for the year December 31, 1998 is as follows: net income $4,163,000; basic earnings per share $.75; and diluted earnings per share $.71. The pro forma effect on earnings for the year ended December 31, 1997 is as follows: net income $3,431,000; basic earnings per share $.69; and diluted earnings per share $.65.

The Company established the 1982 and 1992 Incentive Stock Option Plans for the purpose of attracting and retaining executive officers and key employees, and to align management's interest with those of the shareholders. Generally, the options must be exercised within ten years from the grant date and, under the 1992 Plan, the options vest ratably over a five-year period. The exercise price for the options is equal to the fair market value at the date of grant. The Company had options outstanding for 79,750 shares and 253,625 shares under the 1982 and 1992 Plans, respectively. At December 31, 1999 options available for future issuance under the 1992 Plan are 79,875 shares.

The Company established the 1984, 1993 and 1997 Directors Stock Option Plan for the purpose of attracting and retaining the services of experienced and knowledgeable outside directors, and to align their interest with those of the shareholders. The options must be exercised within ten years from the grant date. The exercise price for the option is equal to the fair market value at the date of grant. The Company had options outstanding for 86,796 shares, 48,400 shares and 28,500 shares under the 1984, 1993 and 1997 Plans, respectively. At December 31, 1999 options available for future issuance under the 1997 Plan are 81,500 shares.

The Company established the Employee Stock Purchase Plan to encourage employees to invest in the Company. Each option is for one year, but may be canceled by the employee at any time during the year. The exercised price of the option is 85 percent of the market price on the date of grant. The employee pays for the option through a weekly payroll deduction. At December 31, 1999 employees had outstanding options to purchase 37,236 shares at $7.23 per share on September 30, 2000.

Note 7

Income Taxes

The provision for income taxes consists of the following:

(in thousands)

	1999	1998	1997
Currently payable			
Federal	$1,807	$2,009	$1,635
State	150	157	146
Deferred (from prior) to future years	180	248	197
	$2,137	$2,414	$1,978

The effective tax rates of 30.8% in 1999, 35.9% in 1998 and 35.8% in 1997, which differ from the statutory federal income tax, are a result of the following:

	1999	1998	1997
Statutory federal income tax rate	34.0%	34.0%	34.0%
Tax exempt items, net	.3%	.3%	.4%
State income tax, net of federal income tax benefit	1.4%	1.5%	1.8%
Reduction in valuation allowance	(3.2%)	-	-
Other	(1.7%)	.1%	(.4%)
	30.8%	35.9%	35.8%

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax liabilities and assets as of December 31, 1999 and 1998 are as follows:

	(in thousands) 1999	1998
Long-term deferred tax liabilities:		
Tax depreciation over book depreciation	$ 2,773	$ 2,239
Net long-term deferred tax liability	2,773	2,239
Long-term deferred assets:		
State investment tax credit carryforwards ...	1,089	985
Deferred compensation	835	826
Other-net	198	177
Total long-term deferred tax assets	2,122	1,988
Valuation allowance for deferred tax assets related to investment tax credit carryforward	(599)	(819)
Net long-term deferred tax asset	1,523	1,169
Net long-term deferred tax liability	$ 1,250	$ 1,070

At December 31, 1999, the Company had state investment tax credit carryforwards of $1,654,000 expiring through 2014.

Note 8

Deferred Profit Sharing/401(k) Plan

The Company has a trusteed Deferred Profit Sharing/401(k) Plan for the benefit of its eligible full-time employees. The Profit Sharing/401(k) Plan provides for annual contributions based on percentages of pre-tax income. In addition, employees may contribute up to sixteen percent of their salary to the 401(k) features. The plan may be amended or terminated at any time. Total charges to income for the plan were $803,000, $779,000 and $745,000 in 1999, 1998 and 1997, respectively.

Note 9

Supplemental Retirement Plan

In December 1999, the Company adopted a non-qualified supplemental retirement defined benefit plan (the "Plan") for certain executives. The Plan provides for benefits based upon average annual compensation and years of service, less offsets for Social Security and Profit Sharing benefits. It is the Company's intent to fund the benefits as they become payable. The Plan replaces a retirement benefit arrangement established in a prior year; accordingly, the accrued liability under that arrangement was reclassified to the Plan during 1999.

The following table sets forth the benefit obligation, which is unfunded, and amounts recognized in the balance sheet as of December 31, 1999:

Benefit obligation at end of year	$ 3,395
Unrecognized prior service cost	1,770
Net amount recognized	$ 1,625
Amounts recognized in the balance sheet:	
Accrued benefit liability	$ 2,482
Less intangible asset	857
Net amount recognized	$ 1,625

In determining the present value of benefit obligations, a discount rate of 8% was used and the assumed rate of increase in compensation levels was 5%. The benefit obligation represents the actuarial present value of benefits attributed to employee service rendered assuming future compensation levels are used to measure the obligation. FASB Statement No. 87, "Employers' Accounting for Pensions," requires the Company to recognize a minimum pension liability equal to the actuarial present value of the accumulated benefit obligations. The accumulated benefit obligation is $2,482 at December 31, 1999. An intangible asset is required and has been recorded since the excess of the accumulated benefit obligation over the pension cost recognized relates to prior service costs.

Note 10

Accrued Expenses

Accrued expenses consist of the following: (in thousands)

	1999	1998
Accrued payroll and employee benefits	$ 896	$ 950
Accrued profit sharing	803	779
Other accrued liabilities	551	356
	$2,250	$ 2,085

Note 11

Selected Quarterly Financial Information
(unaudited) (in thousands, except for per share data)

<TABLE>
<CAPTION>

Quarter ended

	Dec. 31, 1999	Oct. 2, 1999	July 3, 1999	April 3, 1999	Dec. 31, 1998	Oct. 3, 1998	July 4, 1998	April 4, 1998
Net Sales	$ 15,162	$ 12,017	$ 11,133	$ 12,325	$ 13,031	$ 11,689	$ 10,296	$ 11,057
Gross Profit	$ 4,173	$ 3,480	$ 3,299	$ 3,599	$ 4,808	$ 3,651	$ 3,035	$ 3,365
Income before tax	$ 2,485	$ 1,677	$ 1,379	$ 1,391	$ 2,683	$ 1,580	$ 1,271	$ 1,184
Net income	$ 1,833	$ 1,133	$ 896	$ 933	$ 1,689	$ 1,049	$ 821	$ 745
Basic earnings per share	$ .33	$ .20	$ .16	$ .17	$ .31	$ .19	$ .14	$ .14
Diluted earnings per share	$ .31	$ .19	$ .15	$ .16	$ .29	$ .18	$ .13	$ .13

</TABLE>

Note 12

Operations in Different Industries

The Company operates in two areas: Aerospace and Electronics, and Specialty Packaging. Operations in Aerospace and Electronics involve the design, manufacturing and marketing of state-of-the-art and advanced technological components incorporated into functional systems including instrument panels, photo reproductions and keyboard technologies. Customers are typically well known companies in the automotive, aerospace, defense, and electronics industries worldwide. Operations in Specialty Packaging involve the design, manufacturing and marketing of folding paperboard packaging for customers' delivery of their products and high quality custom imprinting of napkins, invitations and other paper products. The Company is a dominant provider of custom folding boxes in chosen markets.

Corporate assets consist mainly of cash, cash equivalents and furniture and equipment.

<TABLE>
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(in thousands)

	Aerospace and Electronics	Specialty Packaging	Corporate	Consolidated
Sales to external customers:				
1999	$ 26,312	$ 24,325	$ -	$ 50,637
1998	23,884	22,189	-	46,073
1997	20,167	20,805	-	40,972
Interest expense, net:				
1999	$ (51)	$ 78	$ 230	$ 257
1998	4	105	267	376
1997	3	129	305	437
Income before taxes:				
1999	$ 2,982	$ 3,544	$ 406	$ 6,932
1998	3,694	2,840	184	6,718
1997	2,676	2,931	(78)	5,529
Identifiable assets:				
1999	$ 30,831	$ 26,445	$ 2,576	$ 59,852
1998	18,484	24,262	961	43,707
1997	9,110	20,011	1,120	30,241
Capital expenditures:				
1999	$ 9,650	$ 4,957	$ -	$ 14,607
1998	3,796	5,872	18	9,686
1997	412	2,644	4	3,060
Depreciation and amortization:				
1999	$ 883	$ 2,754	$ 51	$ 3,688
1998	715	2,360	39	3,114
1997	767	2,029	35	2,831
Sales by geographic locations:				
1999 North America	$ 19,529	$ 24,236	$ -	$ 43,765
Europe	3,009	5	-	3,014
South America	996	2	-	998
Other	2,778	82	-	2,860
	26,312	24,325	-	50,637

1998	North America	$ 16,899	$ 22,138	$ -	$ 39,037
	Europe	3,609	3	-	3,612
	South America	1,807	-	-	1,807
	Other	1,569	48	-	1,617
		23,884	22,189	-	46,073
1997	North America	$ 15,606	$ 20,781	$ -	$ 36,387
	Europe	3,200	4	-	3,204
	South America	124	1	-	125
	Other	1,237	19	-	1,256
		20,167	20,805	-	40,972

</TABLE>

Report of Independent Auditors

To the Shareholders and Board of Directors of Astronics Corporation

We have audited the accompanying consolidated balance sheets of Astronics Corporation as of December 31, 1999 and 1998, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1999. 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 auditing standards generally accepted in the United States. 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 consolidated financial position of Astronics Corporation at December 31, 1999 and 1998 and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP
Buffalo, New York
January 20, 2000

Management's Statement of Responsibility

The management of Astronics Corporation is responsible for the contents of the consolidated financial statements, which are prepared in conformity with generally accepted accounting principles. The consolidated financial statements necessarily include amounts based on judgements and estimates. Financial information elsewhere in the Annual Report is consistent with that in the consolidated financial statements.

The Company maintains an accounting system which includes controls designed to provide reasonable assurance as to the integrity and reliability of the financial records and the protection of assets. The role of Ernst & Young LLP, the independent auditors, is to provide an objective examination of the consolidated financial statements and the underlying transactions in accordance with generally accepted auditing standards.

The Audit Committee of the Board of Directors, composed solely of directors who are not members of management, meets periodically with management and the independent auditors to ensure that their respective responsibilities are properly discharged.

Kevin T. Keane — President and Chief Executive Officer

John M. Yessa — Vice President-Finance, Treasurer and Chief Financial Officer

Five Year Comparison of Selected Financial Data
(in thousands, except per share data)

<TABLE>
<CAPTION>

	1999	1998	1997	1996	1995
	----	----	----	----	----
<S>	<C>	<C>	<C>	<C>	<C>
For the year:					
Sales	$50,637	$46,073	$40,972	$38,371	$28,536
Net income	4,795	4,304	3,551	2,657	1,760
Per share:					
Basic earnings per share	.86	.78	.65	.50	.33
Diluted earnings per share	.81	.73	.61	.46	.33
Shares used in computation of basic earnings per share	5,606	5,542	5,496	5,319	5,268
Shares used in computation of diluted earnings per share	5,943	5,927	5,866	5,723	5,268
At end of year:					
Total assets	$59,852	$43,707	$30,241	$29,865	$30,815
Net investment in property, plant and equipment ..	36,169	24,994	18,160	17,642	16,276
Working capital	5,443	6,305	4,299	2,855	6,101
Long-term debt	8,878	11,319	2,110	3,798	9,713
Long-term obligations under capital leases	7,069	789	1,194	1,600	2,010
Shareholders' equity	27,837	22,730	18,198	14,842	11,726

</TABLE>

Stock Prices

The adjacent table sets forth the range of prices for the Company's Common Stock, traded on the Nasdaq National Market System, for each quarterly period during the last two years. The approximate number of shareholders of record as of February 4, 2000 was 964.

	1999	1998
	----	----
First	$8.56 - $11.44	$6.93 - $8.86
Second	8.00 - 10.50	7.56 - 13.30
Third	6.69 - 12.63	7.84 - 12.50
Fourth	7.50 - 11.25	8.06 - 11.88

Management's Discussion and Analysis

The following table sets forth an income statement with percentage of net sales and the percentage increase (decrease) of such items as compared to the prior period.

<TABLE>
<CAPTION>

	1999		1998		1997		Period to Period	
(dollars in thousands)	$	%	$	%	$	%	1998-99	1997-98
	----	-----	-------	----	-------	----	--------	--------
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net sales								
Aerospace and Electronics ..	$26,312	52.0	$23,884	51.8	$20,167	49.2	10.2%	18.4%
Specialty Packaging	24,325	48.0	22,189	48.2	20,805	50.8	9.6%	6.7%
	50,637	100.0	46,073	100.0	40,972	100.0	9.9%	12.5%
Cost of goods sold	36,086	71.3	31,214	67.7	27,543	67.2	15.6%	13.3%
Selling, general and administrative expenses	7,362	14.5	7,765	16.9	7,463	18.2	(5.2)%	4.0%
Operating Income	7,189	14.2	7,094	15.4	5,966	14.6	1.3%	18.9%

Other deductions:								
Interest expense, net ...	257	.5	376	.8	437	1.1	(31.7)%	(14.0)%
Income before taxes	6,932	13.7	6,718	14.6	5,529	13.5	3.2%	21.5%
Provision for income taxes ...	2,137	4.2	2,414	5.2	1,978	4.8	(11.5%)	22.0%
Net income	$ 4,795	9.5	$ 4,304	9.4	$ 3,551	8.7	11.4%	21.2%

</TABLE>

Introduction

Astronics Corporation operates in two business segments: Aerospace and Electronics; and Specialty Packaging. The Company changed the name of its Electronics Systems segment in 1997 to Aerospace and Electronics to better reflect its products and market focus. This business segment designs, manufactures and markets electroluminescent lamps and incorporates them into escape path lighting systems, aircraft cockpit lighting systems, military aircraft formation lighting, and ruggedized and avionics keyboards.

On October 31, 1999, the Aerospace and Electronics segment completed their move into and the commissioning of their new manufacturing facility in Lebanon, New Hampshire. This new 80,000 square foot building allows the Company to consolidate its New Hampshire operations, previously in four leased locations, into a single facility, and expands production capacity.

On October 27, 1999, the Company closed an Industrial Revenue Tax-Exempt Bond with the Industrial Development Agency of the County of Erie, State of New York for $7,000,000. The interest rate floats with tax-exempt funds and is reset every seven days. These funds are being used to finance the new East Aurora, New York manufacturing facility and production equipment for expanded customer needs.

Late in the Third Quarter of 1999, the Company started shipments on the NVIS F-16 (night vision lighting modification kits) program. Shipments totaled $3,000,000 in 1999. The Company expects these shipments to increase to approximately $16,000,000 annually and the program, as currently designed, to go into 2002. The Company has $27,000,000 in backlog and it expects the United States Air Force to exercise additional production options in the future.

On July 1, 1999, the Company established a $12,000,000 five-year revolving line of credit at the bank's prime rate or LIBOR plus 60 basis points. The revolver can be converted to a four-year term loan at the end of five years. The Company also renegotiated its letter of credit agreements to lower the cost of the bank guarantee on the Industrial Revenue Bond programs.

On May 12, 1999, the Company's Aerospace and Electronics segment acquired 14.9 acres of land in East Aurora, New York, and started construction of a 70,000 square foot manufacturing facility on this new property. The Company anticipates completion of the construction and installation of equipment and systems during the First Half of 2000.

On April 24, 1998, the Company announced that the United States Air Force (USAF) had selected its Luminescent Systems Inc. subsidiary to design, develop and manufacture night vision lighting modification kits for the NVIS F-16 program. The initial award was for 377 units. On February 10, 1999, the Company announced that the USAF had exercised an option for additional 305 units. Two options remain for future use by the USAF. The potential value of the contract is $50,000,000, with current awards totaling $29,000,000. Delivery started in the Third Quarter of 1999 with the program running into 2002.

On December 30, 1998, the Company completed an Industrial Revenue Tax-Exempt Bond with the Business Finance Authority of the State of New Hampshire for $7,250,000. The interest rate floats with tax-exempt funds and is reset every seven days. These funds were used to finance the new manufacturing facility and additional production equipment in the Lebanon, New Hampshire operation.

During the Third Quarter of 1998, the New Hampshire operations of the Aerospace and Electronics segment received their ISO 9001 certification. In the Third Quarter of 1997, the Specialty Packaging segment received its ISO 9001 certification.

Sales

Astronics Corporation established a new sales record for the year. Astronics has set a new record for sales for the last 22 quarters based on the trailing twelve months results. Sales increased 9.9 percent in 1999 to $50,637,000, compared to 12.5 percent in 1998 to $46,073,000, and compared to 6.8 percent in 1997 to $40,972,000. Sales for the year were closely divided between Aerospace and Electronics (52 percent) and Specialty Packaging (48 percent).

Sales in the Aerospace and Electronics segment increased 10.2 percent in 1999 to $26,312,000, compared to 18.4 percent in 1998 to $23,884,000, and compared 2.3 percent in 1997 to $20,167,000. In 1999, the Company realized $3,000,000 of business from the F-16 NVIS program. In addition, sales of its lamps increased 22 percent. Other product lines grew between five and ten percent except for emergency egress lighting system, formation lighting systems for military aircraft and inverters which experienced sales decreases. The Company's revenue for non-recurring engineering charges decreased $500,000 in 1999. The Company in 1998 experienced solid sales growth in its emergency egress lighting systems, formation lighting systems for military aircraft and cockpit lighting systems areas. The Company has been awarded key development contracts for lighting systems in planes being developed for the commercial, private and military aircraft markets.

Sales in the Specialty Packaging segment increased 9.6 percent in 1999 to a total of $24,325,000, compared to 6.7 percent growth in 1998 to $22,189,000, and compared to growth of 11.5 percent in 1997 to $20,805,000. This growth has been in the specifically designed boxes for customers in the confectionery, pharmaceutical and consumer product markets. This product line utilizes the Company's engineering, design and manufacturing capabilities for specific product solutions enabling customers to enhance their distribution to the marketplace. In 1999, the Company entered the office products area and recorded sales of approximately $500,000. The Company continues to develop opportunities to partner with customers to jointly meet the customer's needs.

The Company is marketing it products globally. In 1999, 18 percent of its sales were to international customers compared to 21 percent in 1998. The North American markets, mainly Canada and Mexico, accounted for 27 percent of international sales in each year. International sales accounted for 31 percent, 36 percent, and 27 percent of the Aerospace and Electronics sales in 1999, 1998, and 1997, respectively. The Specialty Packaging segment has five percent, six percent, and six percent of its sales in 1999, 1998, and 1997, respectively, in international markets. Sales to foreign customers are made in U.S. dollars. Sales made to Asian countries increased to 18 percent of international sales in 1999, compared to four percent in 1998. This growth reflects the sales of lamps. Sales in the Aerospace and Electronics segment are mainly by competitive bid based on customer specifications. None of the government contracts are subject to renegotiation of profits clauses. Sales in the Specialty Packaging segment are approximately half from standard catalog pricing and half from competitive bid based on customer specifications. The Company has no sales concentrated in any one customer.

Expenses

The gross profit margin was 28.7 percent in 1999, compared to 32.3 percent in 1998, and 32.8 percent in 1997. The product mix change resulting from the growth in Aerospace and Electronics sales has had an effect on the ratios. The direct costs on the F-16 NVIS program are higher than that experienced in other product lines. Cost of goods sold increased 15.6 percent in 1999, compared to 13.3 percent in 1998, both of which are higher than the sales increase of 9.9 percent in 1999, and 12.5 percent in 1998. Within the cost of goods sold area there have been various shifts of costs. For example, material usage as a percent of sales was 23.2 percent in 1999, 21.1 percent in 1998, and 19.7 percent in 1997. This reflects the higher material content of the F-16 program. Employee costs (wages and benefits), as a percent of sales, was 28.1 percent in 1999, 27.5 percent in 1998, and 28.0 percent in 1997. Part of the increase in employee cost reflects the technical nature of new manufacturing processes as well as the increasing sales in Aerospace and Electronics. Depreciation, as a percent of sales, increased to 6.1 percent of sales in 1999, after remaining at

5.5 percent of sales the past two years. Supply costs in 1999 increased to 8.3 percent of sales, compared to 7.5 percent in 1998 as the Company moved into a new facility, developed new products and developed new manufacturing processes. Facility costs have been in the six percent of sales area during the three-year period. All other categories of expenses were approximately the same percentage of the sales dollar in each of the three years.

The Company's operating profit of $7,189,000 in 1999 was 14.2 percent of sales, compared to $7,094,000, or 15.4 percent of sales in 1998, and compared to $5,966,000, or 14.6 percent of sales in 1997. The lower profit margin in 1999 is the result of higher cost of products sold. The costs associated with the selling, general and administrative area of the business tend to be more fixed and period costs, not directly related to manufacturing volume. Employee costs were 8.9 percent of sales in 1999, compared to 10.1 percent of sales in 1998, and 10.2 percent in 1997. The Company instituted a new Supplemental Retirement Benefit Plan in the year and canceled the older plan. The reserve from the former plan was used to offset costs for the new plan, and not taken into income. The cost of professional services was approximately one percent of sales in 1999 and 1998, compared to two percent in 1997, when the Company utilized outside computer consulting services. All other cost areas are within a percentage point of the prior year.

Interest

Interest costs, net of interest income, was $257,000 (.5 percent of sales) in 1999, compared to $376,000 (.8 percent of sales) in 1998, and $437,000 (1.1 percent of sales) in 1997. The Company earned $127,000 in interest on unexpended Industrial Revenue Bonds proceeds during 1999. The Company reduced its total long-term indebtedness by $2,845,000 in 1999, compared to $1,194,000 in 1998, and compared to $3,146,000 in 1997. On October 27, 1999, the Company borrowed $7,000,000 under a Tax-Exempt Industrial Revenue Bond with the County of Erie, State of New York. On December 30, 1998, the Company borrowed $7,250,000 under a Tax-Exempt Industrial Revenue Bond with the State of New Hampshire. During the 1998 year, the Company borrowed an additional $2,000,000, net, on its Revolving Line of Credit. Interest on the industrial revenue bonds, during the construction period, is capitalized as part of the cost of the new facility. In 1999 the Company capitalized $312,000 of interest expense.

Income Before Taxes

Income before taxes was $6,932,000, or 13.7 percent of sales in 1999, compared to $6,718,000, or 14.6 percent of sales in 1998, and compared to $5,529,000, or 13.5 percent of sales in 1997. The decrease in the percentage of sales is the reflection of higher costs of goods sold.

Taxes

The provision for taxes for 1999 was $2,137,000, or 4.2 percent of sales, compared to $2,414,000, or 5.2 percent of sales in 1998, and compared to $1,978,000, or 4.8 percent of sales in 1997. The effective tax rate for 1999 is 30.8 percent, compared to 35.9 percent in 1998, and compared to 35.8 percent in 1997. The Company reduced its valuation allowance for deferred tax assets related to state investment tax credit carryforwards as a result of higher taxable income which allow greater utilization of the credits. The valuation reserve was $599,000, $819,000, and $563,000 at December 31, 1999, 1998, and 1997, respectively. The Company's Deferred Income Tax Liability, resulting from timing differences in recognition of expenses, was $1,250,000, $1,070,000, and $822,000 at December 31, 1999, 1998, and 1997, respectively. The Company's Federal Income Tax returns have been audited through 1995.

Net Income

The Company earned 9.5 percent on the sales dollar in 1999, a new record, compared to 9.4 percent in 1998, and compared to 8.7 percent in 1997. Astronics has set a new record for earnings for the last 23 quarters based on the trailing twelve months results. The net income was $4,795,000, or $.81 per diluted share in 1999, compared to $4,304,000, or $.73 per diluted share in 1998, and compared to $3,551,000, or $.61 per diluted share in 1997.

Liquidity

Working capital decreased in 1999 to $5,443,000, compared to an increase in 1998 to $6,305,000, as compared to $4,299,000 in 1997. The Company reduced its utilization of the revolving line of credit by $2,400,000 during 1999. The Company is in compliance with all loan covenants.

As the Company prepared for F-16 shipments, it was necessary to acquire substantial amounts of inventory. At December 31, 1999 this amounted to $2,800,000. As an offset, several suppliers agreed to be paid when the Company receives payment from the U.S. Government. This amounted to $3,000,000 at December 31, 1999. In a separate transaction, the Company purchased two die cutters in the Second Quarter of 1999, for which final payment of $2,600,000 is due in the First Quarter of 2000.

The Company believes that the cash generated from operations combined with borrowing capacity under its Revolving Line of Credit are adequate to fund the needs for working capital and capital expenditures as forcasted for year 2000 operations.

Credit Line

The Company maintains an unsecured revolving line of credit for $12,000,000 with interest at either the bank's prime rate or LIBOR plus 60 basis points. At June 30, 2004 the Company can convert the outstanding balance to a four-year term loan. The outstanding balance was $1,400,000, $3,800,000, and $1,800,000 at December 31, 1999, 1998, and 1997, respectively.

Dividends

On October 30, 1998, the Company paid a ten percent share distribution to shareholders of record as of October 16, 1998. The Company believes that its current investment programs (investments in increased capacity, technologies, processes and equipment, acquisitions, the reduction of debt, and the possible purchase of outstanding stock) are important uses of cash, and are in the best long-term interest of its shareholders. Therefore, there are no plans to institute a cash dividend program.

Backlog

At December 31, 1999, the Company's backlog was $40,198,000, compared to $29,887,000 at December 31, 1998, and compared to $10,807,000 at December 31, 1997. The backlog for the Aerospace and Electronic segment was $39,038,000, $28,779,000, and $9,686,000 at December 31, 1999, 1998 and 1997, respectively. The Specialty Packaging segment had backlogs of $1,160,000, $1,108,000, and $1,121,000 at December 31, 1999, 1998 and 1997, respectively. The current portion of the combined backlog is $31,875,000.

Commitments

At December 31, 1999, the Company had outstanding capital expenditure commitments of approximately $3,300,000, compared to $7,100,000 at December 31, 1998, and compared to $4,100,000 at the end of 1997. The major outstanding commitment is for the new facility and production equipment for the East Aurora, New York, Aerospace and Electronics operation. This facility project should be completed in 2000 and the manufacturing equipment will be acquired during 2000 and 2001. The Company also has normal outstanding purchase orders for raw materials and supplies necessary to carry on the business. The Company is not aware of any commitments in excess of today's market values nor in excess of quantities that will be used in normal operations. The Company is not aware of any contingent liabilities not provided for in its financial statements.

Market Risk

The Company is subject to market interest rate risk from exposure to changes in interest rates based upon its financing, investing. and cash management activities. The Company utilizes a mix of debt maturities along with both fixed-rate and variable-rate debt to manage its exposure to changes in interest rates (see Notes 4 and 5 to the consolidated financial statements). The Company does not expect changes in interest rates to have a material adverse effect on its income or its cash flows in 2000. However, there can be no assurances that interest rates will not significantly change in 2000. A change of one percent in the interest rate would cause a change in interest expense for the year 2000 of approximately $112,000, net of taxes.

The Company purchases paperboard for its Specialty Packaging segment. This amounts to approximately 20 percent of sales. The Company's backlog is normally less than 30 days of sales. The Company has inventory on hand for approximately one month's usage. Price changes in paperboard purchases would have a nominal effect on margins as each new order is quoted to reflect the current cost of the raw material, The Company purchases no other raw material or product component that, by itself, would have a material effect on the success of the Company as a result of pricing changes.

On February 14, 2000, a jury trial found Osram Sylvania, Inc. guilty of patent infringement in the manufacturing of encapsulated phosphors used by the Aerospace and Electronics segment in its MaxEL lamp product line. As a result of the court decision, the Company needs to substitute another phosphor for this product line. The Company has tested alternative formulations that it believes meets its needs. Therefore, the Company does not anticipate a production disruption.

Year 2000

The Company did not experience any disruptions, internally or externally, from Year 2000 issues. The total expenditures for Year 2000 issues, mainly software system upgrades, were less than $150,000.

Forward Looking Statements

This Annual Report to Shareholders contains certain forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are identified by the use of the words "believes," "expects," "intends," "anticipates" and words of similar import. Readers are cautioned not to place undue reliance on these forward looking statements as various uncertainties and risks could cause actual results to differ materially from those anticipated in these statements. These uncertainties and risks include (i) the timeliness of product deliveries by vendors and other vendor performance issues, (ii) a slowdown in anticipated orders from the U.S. government and other customers, and (iii) an inability to control the increased growth in expenses that will accompany the Company's anticipated sales growth, among others.

Board of Directors
- ------------------

Robert T. Brady
Director, Astronics Corporation
Chairman of the Board, President and Chief Executive Officer, Moog, Inc.

John B. Drenning
Secretary, Director, Astronics Corporation
Partner in the law firm Hodgson Russ Andrews Woods & Goodyear LLP

Kevin T. Keane
Chairman of the Board, President and Chief Executive Officer, Director, Astronics Corporation

Robert J. McKenna
Director, Astronics Corporation

Chairman of the Board, President and Chief Executive Officer,
Acme Electric Corporation

John M. Yessa
Vice President-Finance and Treasurer,
Chief Financial Officer, Director, Astronics Corporation

Officers
- --------

Charles H. Biddlecom
Vice President-Marketing, MOD-PAC CORP

Donna L. Eckman
Vice President, Krepe-Kraft

Leo T. Eckman
President, Krepe-Kraft

Peter J. Gundermann
President, Luminescent Systems, Inc.

Frank J. Johns, III
Vice President, Luminescent Systems, Inc.

Daniel G. Keane
President, MOD-PAC CORP

Kevin T. Keane
Chairman of the Board, President and Chief Executive Officer,
Astronics Corporation

James S. Kramer
Vice President,Luminescent Systems, Inc.

Richard Miller
Vice President, Luminescent Systems, Inc.

Diane M. Sims
Vice President-Marketing, Krepe-Kraft

John M. Yessa
Vice President-Finance and Treasurer, Chief Financial Officer, Astronics Corporation

Transfer Agent and Registrar

American Stock Transfer and Trust Company
New York, New York

Attorneys

Hodgson Russ Andrews Woods & Goodyear LLP
Buffalo, New York

Independent Accountants

Ernst & Young LLP
Buffalo, New York

Annual Meeting

April 20, 2000 - 10:00 A.M.
Orchard Park Country Club
S-4777 South Buffalo Street
Orchard Park, New York

Form 10-K Annual Report

The Company's Form 10-K Annual Report to the Securities and Exchange Commission provides certain additional information. A copy of this report may be obtained upon request to Shareholder Relations, Astronics Corporation, 1801 Elmwood Avenue, Buffalo, NY 14207

Shareholder Administration

Please direct inquiries relating to shareholder accounting records and stock transfers to:

American Stock Transfer & Trust Company
40 Wall Street
New York, NY 10005

Please report change of address promptly to ensure timely receipt of Company communications. Please mail a signed and dated letter or postcard stating the name in which the stock is registered, and your previous and current addresses.

Press Releases

In an effort to provide efficient and cost-effective communications to our shareholders, we are mailing copies of all Press Releases directly to our shareholders of record on the day of the release. These Press Releases will carry appropriate financial data, when applicable. The Press Release dates for the 2000 quarterly results are:

First Quarter - April 20, 2000
Second Quarter - July 25, 2000
Third Quarter - October 24, 2000
Fourth Quarter - January 25, 2001

Stock Exchange Listing

The Company's stock trades on the Nasdaq National Market tier of The Nasdaq Stock Market under the symbol ATRO.

Correspondence

Astronics Corporation
1801 Elmwood Avenue
Buffalo, New York 14207

Web Site: www.astronics.com

E-mail: invest@astronics.com

Companies of Astronics

Specialty Packaging:

Krepe-Kraft,
Blasdell, New York

MOD-PAC CORP
Buffalo, New York

Aerospace and Electronics:

Luminescent Systems Inc.,
Lebanon, New Hampshire
East Aurora, New York

Luminescent Systems Europe
B.V.B.A., Brussels, Belgium

EXHIBIT 21

ASTRONICS CORPORATION

SUBSIDIARIES OF THE REGISTRANT

Subsidiary	Ownership Percentage	State of Incorporation
Luminescent Systems, Inc.	100%	New York
MOD-PAC CORP	100%	New York

EXHIBIT 23

Consent and Report of Independent Auditors

Board of Directors
Astronics Corporation

We consent to the incorporation by reference in this Annual Report on Form 10-K of Astronics Corporation of our report dated January 20, 2000, included in the 1999 Annual Report to Shareholders of Astronics Corporation.

Our audits also included the financial statement schedule of Astronics Corporation listed in Item 14(a) of this Annual Report on Form 10-K. This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-42981) and the Registration Statement on Form S-8 (No. 333-87463) pertaining to the Employee Stock Purchase Plan of Astronics Corporation of our reports dated January 20, 2000, with respect to the consolidated financial statements incorporated herein by reference, and our report included in the preceding paragraph with respect to the financial statement schedule included in this Annual Report on Form 10-K.

We also consent to the incorporation by reference in the Registration Statement on Form S-8(No. 33-65141) filed with the Securities and Exchange Commission for the registration of 732,132 shares of Astronics Corporation common stock of our reports dated January 20, 2000, with respect to the consolidated financial statements incorporated herein by reference, and our report included in the preceding paragraph with respect to the financial statement schedule included in this Annual Report on Form 10-K.

ERNST & YOUNG LLP

Buffalo, New York
March 24, 2000

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