SECURITIES AND EXCHANGE COMMISSION
Washington, DC

FORM 10-Q

(Mark One)

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

For the fiscal quarter ended July 1, 2000

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

For the transition period from _____________ to ______________

Commission file number 0-7087

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

New York
(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) (Zip Code)

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

Securities registered pursuant to Section 12(g) of the Act:
$.01 par value Common Stock, $.01 par value Class B Stock
(Title of Class)

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

Yes X No

As of July 1, 2000, 5,032,226 shares of $.01 par value common stock and 657,012 shares of $.01 par value Class B common stock were outstanding.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

ASTRONICS CORPORATION

Consolidated Balance Sheet

July 1, 2000
With Comparative Figures for December 31, 1999

	(Dollars in Thousands) July 1, 2000 (Unaudited)	December 31, 1999
Current Assets:		
Cash	$ 621	$ 1,153
Accounts receivable	9,018	6,852
Inventories	10,443	8,721
Prepaid expenses	626	455
Total current assets	20,708	17,181
Property, Plant and Equipment, at cost	58,921	55,956
Less accumulated depreciation and amortization	21,437	19,787
Net property, plant and equipment	37,484	36,169
Unexpended Industrial Revenue Bond Proceeds	2,094	3,508
Other Assets	5,173	2,994
	$ 65,459	$ 59,852
Current Liabilities:		
Current maturities of long-term debt and capital lease obligations	$ 1,006	$ 762
Accounts payable	6,556	8,560
Accrued expenses	1,865	2,416
Total current liabilities	9,427	11,738
Long-term debt and capital lease obligations	21,650	15,947
Other Liabilities	4,399	4,330
Shareholders' Equity:		
Common stock, $.01 par value Authorized 10,000,000 shares, issued 5,351,631 in 2000, 5,327,112 in 1999	54	53
Class B common stock, $.01 par value Authorized 5,000,000 shares, issued 657,012 in 2000, 667,326 in 1999	6	7
Additional paid-in capital	2,932	2,912
Retained earnings	27,853	25,727
	30,845	28,699
Less shares in Treasury, at cost	862	862
Total shareholders' equity	29,983	27,837
	$ 65,459	$ 59,852

See notes to financial statements.

ASTRONICS CORPORATION

Consolidated Statement of Income and Retained Earnings
Period Ended July 1, 2000
With Comparative Figures for 1999

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(Dollars in Thousands)
(Unaudited)

	SIX MONTHS		THREE MONTHS	
	2000	1999	2000	1999
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Net Sales	$ 31,251	$ 23,458	$ 16,101	$ 11,133
Costs and Expenses:				
Cost of products sold	23,665	16,560	12,041	7,834
Selling, general and administrative expenses	4,260	4,040	2,171	1,903
Interest expenses, net of interest income of $91 in 2000 and $67 in 1999	249	88	181	17
Total costs and expenses	28,174	20,688	14,393	9,754
Income before taxes	3,077	2,770	1,708	1,379
Provision for income taxes	951	941	590	483
Net Income	2,126	1,829	1,118	896
Retained Earnings:				
January 1	25,727	20,932		
July 1	$ 26,853	$ 22,761		
Earnings per share:				
Basic	$ .37	$ .33	$ .19	$ .16
Diluted	$ .36	$ .31	$ .19	$ .15

</TABLE>

See notes to financial statements.

ASTRONICS CORPORATION

Consolidated Statement of Cash Flows
Six Months Ended July 1, 2000
With Comparative Figures for 1999

(Dollars in Thousands)
(Unaudited)

	2000	1999
Cash Flows from Operating Activities:		
Net income	$ 2,126	$ 1,829
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,962	1,714
Other	218	157
Cash flows from changes in operating assets and liabilities, excluding effects of acquisitions:		
Accounts receivable	(1,213)	(413)
Inventories	(951)	(1,722)
Prepaid expenses	(106)	1,040
Accounts payable	(2,344)	3,828
Accrued expenses	(693)	(1,047)
Net Cash provided by Operating Activities	$ (1,001)	$ 5,386
Cash Flows from Investing Activities:		
Change in other assets	(593)	(260)
Capital expenditures	(2,704)	(9,587)
Net payment for businesses acquired	(3,616)	--
Net Cash provided (used) by Investing Activities	$ (6,913)	$(9,847)

Cash Flows from Financing Activities:		
New long-term debt	6,200	700
Principal payments on long-term debt and capital lease obligations	(252)	(223)
Unexpended industrial revenue bond proceeds	1,415	4,138
Proceeds from issuance of stock	19	9
Net Cash provided by Financing Activities	$ 7,382	$ 4,624
Net increase (decrease) in Cash and Cash Equivalents	(532)	163
Cash and Cash Equivalents at Beginning of Year	1,153	523
Cash and Cash Equivalents at July 1	$ 621	$ 686
Disclosure of cash payments for:		
Interest	$ 313	$ 183
Income taxes	905	1,164

See notes to financial statements.

ASTRONICS CORPORATION

Notes to Financial Statements

July 1, 2000

1) The accompanying unaudited statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results of operations for any interim period are not necessarily indicative of results for the full year. Operating results for the six-month period ended July 1, 2000 are not necessarily indicative of the results that may be expected for the year ended December 31, 2000.

The balance sheet at December 31, 1999 has been derived from the audited financial statements at that date, but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

For further information, refer to the financial statements and footnotes thereto included in the Company's 1999 annual report.

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

(in thousands)

	July 1, 2000 (Unaudited)	December 31, 1999
Finished Goods	$ 2,494	$ 1,936
Work in Progress	2,466	1,476
Raw Material	5,483	5,309
	$ 10,443	$ 8,721

3) The Company operates in two areas: Aerospace and Electronics, and Specialty Packaging. Astronics' Aerospace and Electronics segment designs and manufactures special lighting systems for aircraft cockpits, cabins, and exterior environments. The segment also manufactures electroluminescent (EL) lamps used to backlight liquid crystal displays, which are commonly used in portable telephones, watches, pagers, and personal digital

assistants (PDAs). Astronics' Specialty Packaging segment involves the design, manufacturing and marketing of folding paperboard packaging for customers' delivery of their products and high quality custom imprinting of napkins, invitation and other paper products. The Company is a dominant provider of custom folding boxes in chosen markets.

<TABLE>
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(in thousands)

	Six Months Ended July 1, 2000		Six Months Ended July 3, 1999	
	Aerospace and Electronics	Specialty Packaging	Aerospace and Electronics	Specialty Packaging
<S>	<C>	<C>	<C>	<C>
Sales to external customers	$ 19,962	$ 11,289	$ 13,075	$ 10,383
Income before taxes	1,937	1,213	1,859	803
	July 1, 2000		December 31, 1999	
Segment assets	36,538	26,988	30,831	26,445

</TABLE>

The Aerospace and Electronics segment acquired two businesses during the Second Quarter with assets of $4,645,000, accounting for a significant portion of the increase in segment assets. These businesses integrate with the F-16 program.

A reconciliation of combined income before taxes for the six-month period is as follows:

(in thousands)

	Three Months Ended July 1, 2000	Three Months Ended July 3, 1999
Income before taxes from segments	$3,150	$2,662
Corporate expenses, net	(73)	108
Income before taxes	$3,077	$2,770

ASTRONICS CORPORATION

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

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

	Percent of Net Sales Six months ended July 1, 2000	Percent of Net Sales Six months ended July 1, 1999	Period-to-Period Increase (Decrease) 1999-2000
Net Sales:			
Aerospace and Electronics	63.9%	55.7%	52.7 %
Specialty Packaging	36.1	44.3	8.7 %
	100.0%	100.0%	33.2 %
Cost of products sold	75.8	70.6	42.9 %
Selling, general and administrative expenses	13.6	17.2	5.4 %
Interest expenses, net	.8	.4	183.0%

	-----	-----	
	90.2%	88.2%	36.2 %
Income before provision for income taxes	9.8%	11.8%	11.1 %
Provision for taxes	3.0	4.0	1.1 %
	-----	-----	
Net Income	6.8%	7.8%	16.2 %
	=====	=====	

INTRODUCTION AND RECENT DEVELOPMENTS

Astronics Corporation operates in two business segments: Aerospace and Electronics, and Specialty Packaging.

On June 8, 2000, Astronics announced that the United States Air Force exercised an option for additional kits under the Company's F-16 night vision modification contract.

In May 2000, the Aerospace and Electronics segment acquired cockpit indicator technology for the F-16 program and CRL Technologies ("CRL") in Quebec, Canada. CRL designs and manufactures lighted keyboards on avionics equipment and in aircraft cockpits. Total cash invested for both these acquisitions was $3,616,000.

On March 7, 2000, the Company announced that its Specialty Packaging business had received a three-year contract totaling $15,000,000 from the Tyco Healthcare Companies. Its MOD-PAC subsidiary has been selected as one of only five preferred suppliers for the entire nationwide organization.

SALES

Sales set a new record for Second Quarter, and for the six-month period ended July 1, 2000. Sales increased for the Quarter by 44.6 percent in 2000, and 8.1 percent in 1999. Sales for the first half of 2000 increased 33.2 percent, compared to 9.9 percent in the first half of 1999. The three-year comparative sales for the first six months of the year can be seen in this table:

	2000	1999	1998
	----	----	----
Aerospace and Electronics	$19,962	$13,075	$11,669
Specialty Packaging	11,289	10,383	9,684
	-------	-------	-------
	$31,251	$23,458	$21,353

Sales in the Aerospace and Electronics business segment increased 52.7 percent in the first half of 2000, compared to a 12.0 percent increase for 1999. Sales in 2000 have increased mainly as a result of the F-16 program which began shipments in the Third Quarter of 1999.

Sales in the Specialty Packaging segment increased 8.7 percent in the first half of 2000 compared to a 7.2 percent increase for 1999. New e-commerce based initiatives accounted for one fourth of the increase in 2000. Meanwhile, this segment continues to expand its market share through focus on customer service with on-time deliveries, high quality products and short turnaround times.

BACKLOG

The Company's backlog increased 6.4 percent over the Second Quarter of 1999 to a new record of $46,000,000. The backlog is composed of $43,600,000 in the Aerospace and Electronics segment and $2,400,000 in the Specialty Packaging segment.

EXPENSES

Cost of products sold increased to 75.8 percent of sales in the first half of 2000 compared to 70.6 percent of sales in the first half of 1999. The major increase was in material costs, which increased to 32.45 percent of sales in

2000 compared to 19.37 percent in 1999. This increase reflects the higher material content on F-16 sales. To date, a substantial portion of material for the sales of F-16 modification kits is outsourced, thereby driving up the material costs. The Company is in the process of producing more of the parts internally, which will reduce material costs starting in the second half of 2000. Employee costs as a percentage of sales were lower in 2000, reflecting dilution from the high purchased material content of the F-16 shipments. Employee costs in 2000 were 25.6 percent of sales, compared to 30.6 percent of sales in 1999. Supply costs, facility costs and depreciation as a percent of sales were likewise diluted to 17.7 percent in 2000, compared to 20.6 percent in 1999.

Cost of products in total and by component for 1999 were comparable to 1998 levels.

Selling, general and administrative expenses continued to decrease as a percentage of sales: 13.6 percent in 2000, 17.2 percent in 1999, and 17.6 percent in 1998. The major factor in 2000 is the substantial sales increase which required very modest additional selling, general, and administrative costs. The majority of these costs are for employee services, marketing expenses and operating supplies.

Operating income for the Second Quarter of 2000 was $1,889,000, or 11.7 percent of sales, compared to $1,396,000, or 12.5 percent of sales, in 1999. The operating margin for the six-month period in 2000 was 10.6 percent of sales compared to 12.2 percent for 1999. The trend in operating margin in 2000 is improving as a result of higher sales and improving gross margins with relatively stable selling, general and administrative costs.

INTEREST

Interest costs, net, increased in 2000 due to increased levels of borrowings for facilities, equipment, working capital and acquisitions.

INCOME BEFORE TAXES

Income before taxes was 9.8 percent of sales compared to 1999's 11.8 percent of sales. For the Second Quarter, income before taxes was 10.6 percent of sales compared to 12.4 percent for 1999.

TAXES

The Company's tax provision as a percent of sales decreased in 2000 as a percent of sales compared to 1999, reflecting the lower pretax margins as well as a lower effective tax rate as a result of favorable adjustments from estimated provisions recorded mainly in the First Quarter of 2000.

NET INCOME

Net income for the Second Quarter of 2000 established a new record for the quarter: $1,118,000, or $.19 per diluted share. This breaks the record set in 1999 of $896,000, or $.15 per diluted share.

LIQUIDITY

Cash flow from operating activities was a negative $1,001,000 during the six months of 2000 and is slightly down from the First Quarter negative levels of $1,694,000. This reflects payments made to vendors on which the Company received extended terms until the First Quarter of 2000. The Company's capital expenditures were down sharply from 1999 levels, reflecting the timing of facilities acquisitions. This was offset somewhat by $3,616,000 expended for acquisitions. Financing activities in 2000 reflect the increased usage of the Company's revolving line of credit for operating and investment needs.

The Company has a $12,000,000 revolving line of credit, of which it had utilized $7,600,000 at July 1, 2000, compared to $4,500,000 at July 3, 1999. The Company believes that cash balances at July 1, 2000, cash flow from operations and availability on the revolving line of credit are adequate to meet the Company's operational and investment plans for 2000.

COMMITMENTS

At July 1, 2000, the Company had outstanding commitments for capital investments of approximately $900,000. The Company has commitments for items that it purchases in the normal on-going affairs of the business. The Company is not aware of any obligations in excess of normal market conditions, nor of any long-term commitments that would have a material adverse affect on its financial condition.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 2. Changes in Securities.

None.

Item 3. Defaults Upon Senior Securities.

None.

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

None.

Item 5. Other Information.

None.

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

(a) Exhibits

Exhibit 11. Computation of Per Share Earnings.

Exhibit 27. Financial Data Schedule.

(b) Reports on Form 8-K.

None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DATED: August 11, 2000

ASTRONICS CORPORATION

/s/ C. Anthony Rider

(Signature)

C. Anthony Rider
Vice President-Finance,Treasurer
and Principal Financial Officer

EXHIBIT 11

COMPUTATION OF PER SHARE EARNINGS

	(in thousands, except for per share data) Six Months Ended July 1	
	2000	1999
Net income	$ 2,126	$ 1,829
Basic earnings per share weighted average shares	5,684	5,572
Net effect of dilutive stock options	279	386
Diluted earnings per share weighted average shares	5,963	5,958
Basic earnings per share	$ .37	$ .33
Diluted earnings per share	$ .36	$ .31

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EXHIBIT 27

FINANCIAL DATA SCHEDULE

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