

August 9, 2011



Astronics Corporation Reports Net Income up 87% on 18% Increase in Sales for Second Quarter 2011

- 2011 second quarter sales achieves a new record at \$55.5 million, an increase of 18% over 2010 second quarter
- Diluted earnings per share of \$0.39 in 2011 second quarter up from \$0.22 in 2010 second quarter
- 2011 revenue guidance increased to range of \$220 million to \$230 million

EAST AURORA, N.Y.--(BUSINESS WIRE)-- **Astronics Corporation (NASDAQ: ATRO)**, a leader in advanced, high-performance lighting, electrical power and automated test systems for the global aerospace and defense industries, today reported financial results for the three and six months ended July 2, 2011.

| | Three Months Ended | | | Six Months Ended | | |
|----------------------------------|--------------------|----------|--------|------------------|----------|--------|
| | July 2, | July 3, | % | July 2, | July 3, | % |
| | 2011 | 2010 | Change | 2011 | 2010 | Change |
| Sales | \$55,475 | \$47,089 | 17.8 % | \$110,603 | \$94,025 | 17.6 % |
| Gross profit | \$14,386 | \$10,685 | 34.6 % | \$28,892 | \$22,231 | 30.0 % |
| <i>Gross margin</i> | 25.9 % | 22.7 % | | 26.1 % | 23.6 % | |
| SG&A | \$7,144 | \$6,076 | 17.6 % | \$13,489 | \$11,504 | 17.3 % |
| <i>SG&A percent to sales</i> | 12.9 % | 12.9 % | | 12.2 % | 12.2 % | |
| Income from Operations | \$7,242 | \$4,609 | 57.1 % | \$15,403 | \$10,727 | 43.6 % |
| <i>Operating margin %</i> | 13.1 % | 9.8 % | | 13.9 % | 11.4 % | |
| Net Income | \$4,548 | \$2,430 | 87.2 % | \$9,757 | \$5,830 | 67.4 % |
| <i>Net Income %</i> | 8.2 % | 5.2 % | | 8.8 % | 6.2 % | |

Peter J. Gundermann, President and Chief Executive Officer, commented, "The second quarter was another very good quarter for our company. Demand was strong, resulting in record quarterly revenue of \$55.5 million and second best quarterly bookings of \$58.5 million. Margins were solid, though down somewhat from the preceding first quarter due primarily to increased costs relating to legal proceedings.

Sales in the second quarter of 2011 were \$55.5 million, up \$8.4 million, or 17.8%, from the prior year second quarter. Aerospace sales, which represented approximately 94% of total second quarter sales, increased 19.1% to \$51.9 million over the prior year period. Test Systems sales remained flat at \$3.5 million when compared with last year's second quarter. Sales for the first six months of 2011 were \$110.6 million, up \$16.6 million, or 17.6%, from the same period last year. Aerospace sales, which represented approximately 92% of first half total sales, increased 17.7% to \$102.1 million over the prior year period. Test Systems sales were up approximately \$1.3 million or 18.1% to \$8.5 million when compared with \$7.2 million in the first six months of 2010.

Net income in the second quarter of 2011 was \$4.5 million, or \$0.39 per diluted share, compared with net income of \$2.4 million, or \$0.22 per diluted share, in the same period of last year. Year-to-date net income for the first six months of 2011 was \$9.8 million, or \$0.84 per diluted share, compared with net income of \$5.8 million, or \$0.52 per diluted share, in the same period of last year.

Consolidated gross margin and operating margin in the 2011 second quarter and first six months improved over the prior year periods reflecting the margin added by increased sales offset partially by increases in both engineering and development costs and selling, general and administrative costs.

Engineering and development (E&D) costs were \$8.8 million in the 2011 second quarter compared with \$7.0 million in last year's second quarter. Year-to-date E&D costs were \$17.1 million and \$14.2 million in 2011 and 2010, respectively. The Company expects E&D expenditures for 2011, which are included in cost of goods sold, to be in the range of \$32 million to \$34 million.

Aerospace Segment Review *(refer to sales by market and segment data in accompanying tables)*

Second quarter and year-to-date sales to the Commercial Transport market increased on higher demand for Cabin Electronics products as well as increased volume for our Aircraft Lighting Products. Second quarter and year-to-date Military sales were down primarily due to lower Aircraft Lighting sales to that market. Second quarter and year-to-date sales to the Business Jet market were higher due to increased Airframe Power revenue.

Aerospace operating profit for the second quarter of 2011 was \$9.0 million, or 17.3% of sales, compared with \$6.8 million, or 15.5% of sales, in the same period last year. Year-to-date operating profit was \$18.3 million in 2011, or 17.9% of sales, compared with \$13.5 million, or 15.5% of sales year-to-date in the first half of 2010. Second quarter and year-to-date margin improvement was due to the leverage provided on the increased sales volume offset somewhat by increased engineering and development costs and increased SG&A costs.

Bookings for the Aerospace segment during the second quarter were \$55.0 million, up 19.0% from \$46.2 million in the second quarter of 2010, and up 13.0% from bookings of \$48.7 million in the trailing first quarter of 2011. Backlog at the end of the second quarter was \$93.1 million.

Test Systems Segment Review *(refer to sales by market and segment data in accompanying tables)*

Sales in the 2011 second quarter remained flat at \$3.5 million when compared with the same period in 2010. Year-to-date sales for 2011 increased \$1.3 million to \$8.5 million compared with \$7.2 million for the same period last year.

Test Systems operating loss for the second quarter of 2011 was \$0.5 million, or (15.4)% of sales, compared with an operating loss of \$1.0 million or (28.5)% of sales, in the same period last year. For the first half of 2011, Test Systems operating loss was \$0.5 million, or (6.2)% of sales, compared with an operating loss of \$0.8 million, or (11.1)% of sales, in the same period last year.

Test Systems bookings in the second quarter were \$3.5 million compared with \$5.4 million in the second quarter of 2010, and down from the trailing 2011 first quarter which had bookings of \$5.8 million. Backlog was \$9.0 million at the end of the second quarter. Bookings include nothing from the VDATS program which was announced during the quarter. This award has been protested by unsuccessful bidders and is under review at the GAO. The company expects successful resolution in September.

Balance Sheet

Cash at the end of the 2011 second quarter declined by \$6.6 million to \$16.1 million compared with December 31, 2010 primarily as a result of cash used for capital expenditures.

Capital expenditures during the second quarter and first six months of 2011 were \$6.2 million and \$7.0 million, respectively, compared with \$0.6 million and \$1.5 million in 2010, respectively.

During the second quarter the Company acquired a partially completed building located near its present Redmond, Washington operation for approximately \$5.2 million. The Company expects to spend an additional \$5 million to \$8 million through 2012 for renovations on this facility. Astronics Advanced Electronic Systems Corp will occupy the facility when the lease on its current location terminates in March 2013. Additionally, in July, the Company purchased for approximately \$5.1 million the building that it had been leasing in Fort Lauderdale, Florida. Astronics currently pays \$2.6 million annually to lease facilities for these two operations, and considers the real estate purchases to be opportunistic given the current environment.

The Company expects capital spending in 2011 to be approximately \$17 million to \$21 million including \$12 million to \$13 million related to the acquisition and build out of the Fort Lauderdale and Redmond properties.

Outlook

At July 2, 2011, backlog was \$102.1 million, up from backlog of \$99.1 million at the end of the trailing first quarter of 2011 and improved over backlog of \$97.3 million at the end of the second quarter of 2010. Approximately 75% of backlog is expected to ship by the end of 2011.

Mr. Gundermann concluded, "The first half of 2011 has been terrific, with record revenue of \$110.6 million and net profit of \$9.8 million. Strong demand has prompted us to increase our sales forecast for the year to \$220 million to \$230 million, up from our previous forecast of \$210 to \$225 million," he concluded.

Astronics anticipates that approximately \$204 million to \$212 million of forecasted revenue will be from its Aerospace segment, while approximately \$16 million to \$18 million of the forecasted revenue will be from its Test Systems segment.

Second Quarter 2011 Webcast and Conference Call

The Company will host a teleconference at 10:00 AM ET on Tuesday, August 9, 2011. During the teleconference, Peter J. Gundermann, President and CEO, and David C. Burney, Executive Vice President and CFO, will review the financial and operating results for the period and discuss Astronics' corporate strategy and outlook. A question-and-answer session will follow.

The Astronics conference call can be accessed by calling (201) 689-8562. The listen-only audio webcast can be monitored at www.astronics.com. To listen to the archived call, dial (858) 384-5517 and enter conference ID number 375499. The telephonic replay will be available from 1:00 p.m. on the day of the call through Tuesday, August 16, 2011. A transcript will also be posted to the Company's Web site, once available.

ABOUT ASTRONICS CORPORATION

Astronics Corporation is a leader in advanced, high-performance lighting, electrical power and automated test systems for the global aerospace and defense industries. Astronics' strategy is to develop and maintain positions of technical leadership in its chosen aerospace and defense markets, to leverage those positions to grow the amount of content and volume of product it sells to those markets and to selectively acquire businesses with similar technical capabilities that could benefit from our leadership position and strategic direction. Astronics Corporation, and its wholly-owned subsidiaries, Astronics Advanced Electronic Systems Corp., DME Corporation and Luminescent Systems Inc., have a reputation for high-quality designs, exceptional responsiveness, strong brand recognition and best-in-class manufacturing practices. The Company routinely posts news and other important information on its Web site at www.astronics.com.

For more information on Astronics and its products, visit its Web site at www.astronics.com.

Safe Harbor Statement

This news release contains forward-looking statements as defined by the Securities Exchange Act of 1934. One can identify these forward-looking statements by the use of the words "expect," "anticipate," "plan," "may," "will," "estimate" or other similar expressions.

Because such statements apply to future events, they are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated by the statements. Important factors that could cause actual results to differ materially include the state of the aerospace and defense industries, the market acceptance of newly developed products, internal production capabilities, the timing of orders received, the status of customer certification processes, the demand for and market acceptance of new or existing aircraft which contain the Company's products, customer preferences, and other factors which are described in filings by Astronics with the Securities and Exchange Commission. The Company assumes no obligation to update forward-looking information in this news release whether to reflect changed assumptions, the occurrence of unanticipated events or changes in future operating results, financial conditions or prospects, or otherwise.

ASTRONICS CORPORATION

CONSOLIDATED INCOME STATEMENT DATA

(Unaudited, \$ in thousands except per share data)

| | Three Months Ended | | Six Months Ended | |
|-------------------------------------|--------------------|------------------|-------------------|------------------|
| | 7/2/2011 | 7/3/2010 | 7/2/2011 | 7/3/2010 |
| Sales | \$ 55,475 | \$ 47,089 | \$ 110,603 | \$ 94,025 |
| Cost of products sold | 41,089 | 36,404 | 81,711 | 71,794 |
| Gross profit | 14,386 | 10,685 | 28,892 | 22,231 |
| Gross margin | 25.9 % | 22.7 % | 26.1 % | 23.6 % |
| Selling, general and administrative | 7,144 | 6,076 | 13,489 | 11,504 |
| SG&A % of Sales | 12.9 % | 12.9 % | 12.2 % | 12.3 % |
| Income from operations | 7,242 | 4,609 | 15,403 | 10,727 |
| Operating margin | 13.1 % | 9.8 % | 13.9 % | 11.4 % |
| Interest expense, net | 534 | 722 | 1,071 | 1,321 |
| Income before tax | 6,708 | 3,887 | 14,332 | 9,406 |
| Income tax expense | 2,160 | 1,457 | 4,575 | 3,576 |
| Net Income | \$ 4,548 | \$ 2,430 | \$ 9,757 | \$ 5,830 |
| Basic earnings per share: | \$ 0.41 | \$ 0.22 | \$ 0.89 | \$ 0.54 |
| Diluted earnings per share: | \$ 0.39 | \$ 0.22 | \$ 0.84 | \$ 0.52 |

| | | | | |
|---|---------|---------|---------|---------|
| Weighted average diluted shares outstanding | 11,703 | 11,289 | 11,665 | 11,127 |
| Capital Expenditures | \$6,225 | \$611 | \$6,979 | \$1,486 |
| Depreciation and Amortization | \$1,204 | \$1,224 | \$2,394 | \$2,463 |

ASTRONICS CORPORATION

CONSOLIDATED BALANCE SHEET DATA

(in thousands)

7/2/2011 12/31/2010
(Unaudited)

ASSETS:

| | | |
|------------------------------------|-------------------|-------------------|
| Cash and cash equivalents | \$ 16,075 | \$ 22,709 |
| Accounts receivable | 35,762 | 30,941 |
| Inventories | 40,826 | 37,763 |
| Other current assets | 6,453 | 5,727 |
| Property, plant and equipment, net | 35,944 | 30,873 |
| Other long-term assets | 3,231 | 3,342 |
| Deferred taxes long-term | 6,332 | 6,883 |
| Intangible assets | 4,824 | 5,040 |
| Goodwill | 7,712 | 7,610 |
| Total Assets | \$ 157,159 | \$ 150,888 |

LIABILITIES AND SHAREHOLDERS' EQUITY:

| | | |
|---|-------------------|-------------------|
| Current maturities of long term debt | \$ 5,310 | \$ 5,314 |
| Accounts payable and accrued expenses | 24,674 | 25,971 |
| Long-term debt | 29,806 | 33,264 |
| Other liabilities | 8,889 | 9,124 |
| Shareholders' equity | 88,480 | 77,215 |
| Total Liabilities and Shareholders' Equity | \$ 157,159 | \$ 150,888 |

ASTRONICS CORPORATION

SEGMENT DATA

(Unaudited, \$ in thousands)

| | Three Months Ended | | Six Months Ended | |
|--------------------|--------------------|---------------|------------------|---------------|
| | 7/2/2011 | 7/3/2010 | 7/2/2011 | 7/3/2010 |
| Sales | | | | |
| Aerospace | \$51,942 | \$43,599 | \$102,141 | \$86,789 |
| Test Systems | 3,533 | 3,490 | 8,462 | 7,236 |
| Total Sales | 55,475 | 47,089 | 110,603 | 94,025 |

Operating Profit (Loss) and

Margins

| | | | | |
|-------------------------------|--------------|--------------|---------------|---------------|
| Aerospace | 9,011 | 6,753 | 18,330 | 13,495 |
| | 17.3 % | 15.5 % | 17.9 % | 15.5 % |
| Test Systems | (545) | (993) | (528) | (806) |
| | (15.4)% | (28.5)% | (6.2)% | (11.1)% |
| Total Operating Profit | 8,466 | 5,760 | 17,802 | 12,689 |

| | | | | |
|------------------------------|----------------|----------------|-----------------|----------------|
| Corporate Expenses and Other | 1,758 | 1,873 | 3,470 | 3,283 |
| Income Before Taxes | \$6,708 | \$3,887 | \$14,332 | \$9,406 |

ASTRONICS CORPORATION

SALES BY MARKET

(Unaudited, \$ in thousands)

| | Three Months Ended | | | Six Months Ended | | |
|--------------------------|--------------------|----------|----------|------------------|----------|----------|
| | 7/2/2011 | 7/3/2010 | % change | 7/2/2011 | 7/3/2010 | % change |
| Aerospace Segment | | | | | | |
| Commercial | | | | | | |
| Transport | \$34,271 | \$24,891 | 38 % | \$67,196 | \$52,336 | 28 % |

| | | | | | | |
|------------------------|---------------|---------------|-------------|----------------|---------------|-------------|
| Military | 7,919 | 9,521 | (17)% | 17,179 | 17,918 | (4)% |
| Business Jet | 7,426 | 6,379 | 16 % | 14,063 | 11,971 | 17 % |
| FAA/Airport | 2,326 | 2,808 | (17)% | 3,703 | 4,564 | (19)% |
| Aerospace Total | 51,942 | 43,599 | 19 % | 102,141 | 86,789 | 18 % |

Test Systems

Segment

| | | | | | | |
|--------------|-----------------|-----------------|-------------|------------------|-----------------|-------------|
| Military | 3,533 | 3,490 | 1 % | 8,462 | 7,236 | 17 % |
| Total | \$55,475 | \$47,089 | 18 % | \$110,603 | \$94,025 | 18 % |

ASTRONICS CORPORATION

SALES BY PRODUCT

(Unaudited, \$ in thousands)

| | Three Months Ended | | | Six Months Ended | | | 2011 |
|--------------------------|--------------------|---------------|-------------|------------------|---------------|-------------|-------------|
| | 7/2/2011 | 7/3/2010 | % change | 7/2/2011 | 7/3/2010 | % change | YTD % |
| Aerospace Segment | | | | | | | |
| Cabin Electronics | \$26,874 | \$19,087 | 41 % | \$52,949 | \$40,584 | 30 % | 47.9 |
| Aircraft Lighting | 17,549 | 17,586 | - % | 35,720 | 33,319 | 7 % | 32.3 |
| Airframe Power | 5,193 | 4,117 | 26 % | 9,769 | 8,322 | 17 % | 8.8 |
| Airfield Lighting | 2,326 | 2,809 | (17)% | 3,703 | 4,564 | (19)% | 3.3 |
| Aerospace Total | 51,942 | 43,599 | 19 % | 102,141 | 86,789 | 18 % | 92.3 |

Test Systems

| | | | | | | | |
|---------|-----------|-----------|------|------------|-----------|------|-------|
| Segment | 3,533 | 3,490 | 1 % | 8,462 | 7,236 | 17 % | 7.7 |
| Total | \$ 55,475 | \$ 47,089 | 18 % | \$ 110,603 | \$ 94,025 | 18 % | 100.0 |

ASTRONICS CORPORATION

ORDER AND BACKLOG TREND

(Unaudited, \$ in thousands)

| | Q3 2010 10/2/2010 | Q4 2010 12/31/2010 | Q1 2011 4/2/2011 | Q2 2011 7/2/2011 | Trailing 12 Months 7/2/2011 |
|------------------------|-------------------------|--------------------------|------------------------|------------------------|-----------------------------------|
| Sales | | | | | |
| Aerospace | \$46,024 | \$46,773 | \$50,199 | \$51,942 | \$194,938 |
| Test Systems | 3,882 | 5,050 | 4,929 | 3,533 | 17,394 |
| Total Sales | \$49,906 | \$51,823 | \$55,128 | \$55,475 | \$212,332 |
| Bookings | | | | | |
| Aerospace | \$58,250 | \$40,378 | \$48,682 | \$55,029 | \$202,339 |
| Test Systems | 4,358 | 1,224 | 5,756 | 3,459 | 14,797 |
| Total Bookings | \$62,608 | \$41,602 | \$54,438 | \$58,488 | \$217,136 |
| Backlog | | | | | |
| Aerospace | \$97,970 | \$91,573 | \$90,056 | \$93,143 | N/A |
| Test Systems | 12,041 | 8,216 | 9,043 | 8,969 | N/A |
| Total Backlog | \$110,011 | \$99,789 | \$99,099 | \$102,112 | N/A |
| Book:Bill Ratio | | | | | |
| Aerospace | 1.27 | 0.86 | 0.97 | 1.06 | 1.04 |
| Test Systems | 1.12 | 0.24 | 1.17 | 0.98 | 0.85 |
| Total Book:Bill | 1.25 | 0.80 | 0.99 | 1.05 | 1.02 |

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