

ASTRONICS CORP
Form 8-K
January 09, 2007

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K
CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): January 9, 2007
ASTRONICS CORPORATION
(Exact name of registrant as specified in its charter)

New York (State or Other Jurisdiction of Incorporation)	0-7087 (Commission File Number)	16-0959303 (I.R.S. Employer Identification No.)
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130 Commerce Way East Aurora, New York (Address of principal executive offices)	14052 (Zip Code)
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Registrant's telephone number, including area code: **(716) 805-1599**
N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below)

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

The disclosure set forth in Item 2.03 below is incorporated in this Item 1.01 by reference

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Astronics Corporation (the Company) entered into the Credit Agreement Between Astronics Corporation and HSBC Bank USA, National Association dated as of January 5, 2007 by and among the Company, the lenders party thereto (the Lenders), HSBC Bank USA, National Association, as Administrative Agent. This new credit facility replaces the Company's existing \$15 million credit facility entered into on February 20, 2003.

Pursuant to the Loan Agreement which matures on January 5, 2009, the Company's borrowing availability was increased from \$15 million to \$20 million. At the option of the Company, the outstanding loans under the Loan Agreement bear interest at (i) LIBOR plus between 0.875% and 1.75% or (ii) the prime rate plus between (0.25%) and 0.0%. The applicable interest rate is based upon the ratio of the Company's total funded debt as of a calculation date to consolidated earnings before interest taxes, depreciation and amortization (EBITDA), calculated on a rolling four-quarter basis as of such calculation date (the Leverage Ratio). In addition, the Company is required to pay a commitment fee of between 0.125% and 0.30% on the unused portion of the Line Limit borrowing availability for the preceding quarter, also based on the Company's Leverage Ratio. The Company may allocate up to \$500 thousand of its availability under the Loan Agreement for the issuance of letters of credit.

The Company's obligations under the Loan Agreement are jointly and severally guaranteed by certain of the Company's subsidiaries as well as secured by all inventory and accounts receivable of the Company and its subsidiaries. In the event of voluntary or involuntary bankruptcy of the Company (each an Event of Default as defined in the Credit Agreement), all unpaid principal and any other amounts then due under the Loan Agreement automatically becomes due and payable without presentation, demand or notice of any kind to the Company. Several other Events of Default, including failure to make payments as they become due, give the Lender (as defined in the Loan Agreement) the option to declare all unpaid principal and any other amounts then due immediately due and payable. A copy of the Credit Agreement is filed as Exhibit 10.1 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

- 10.1 Credit Agreement dated as of January 5, 2007 among Astronics Corporation, the Lenders party thereto, HSBC Bank USA, National Association.
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SIGNATURE

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

Astronics Corporation

Dated: January 9, 2007

By: /s/ David C. Burney
Name: David C. Burney
Vice President and CFO

EXHIBIT INDEX

Exhibit	Description
10.1	Credit Agreement dated as of January 5, 2007 among Astronics Corporation, the Lenders party thereto, HSBC Bank USA, National Association