

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):
November 16, 2007

AIR INDUSTRIES GROUP, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	000-29245	20-4458244
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State of	Commission	IRS Employer
Incorporation	File Number	I.D. Number

1479 North Clinton Avenue, Bay Shore, NY 11706

Address of principal executive offices

Registrant's telephone number: (631) 968-5000

(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))

Item 2.02. Results of Operations or Financial Conditions

On November 16, 2007, the Registrant issued a press release reporting on its results of operations for the nine months ended November 30, 2007 and its financial condition as of November 30, 2007. A copy of the press release is attached hereto as Exhibit 99.1.

Item 7.01. Regulation FD Disclosure.

On November 16, 2007, the Registrant issued a press release reporting on its results of operations for the nine months ended November 30, 2007 and its financial condition as of November 30, 2007. A copy of the press release is attached hereto as Exhibit 99.1.

The information in this Form 8-K, including Exhibit 99.1 attached hereto, shall not be deemed as "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liability of such Section, nor shall it be deemed incorporated by reference in any filing by the Registrant under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing.

Item 9.01. Exhibits.

99.1 Press Release: Air Industries Group Reports Record Revenues, Net Income and EBITDA in Third Quarter 2007.

SIGNATURES

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

Dated: November 16, 2007

AIR INDUSTRIES GROUP, INC.

By: /s/ Peter D. Rettaliata

Peter D. Rettaliata
President and Chief Executive Officer

EXHIBIT INDEX

99.1 Press Release: Air Industries Group Reports Record Revenues, Net Income
and EBITDA in Third Quarter 2007.

For Immediate Release

Air Industries Group Reports Record Revenues, Net Income and
EBITDA in Third Quarter 2007

BAY SHORE, NY -- November 16, 2007 -- Air Industries Group, Inc. (OTCBB: AIRI) today announced financial results for the third quarter ended September 30, 2007. The financial results reported by the Company include results from Welding Metallurgy, a metallurgical engineering and welding services provider and manufacturer, from the date of acquisition in August 2007.

Financial Performance Highlights for Third Quarter 2007:

- o Net Sales Increased to Record \$12.8 Million, Up 63.0% from 3Q06
- o Gross Profit Margin Increased to Record 28%, Up from 19.3% in 3Q06
- o Gross Profit Increased to Record \$3.6 Million, Up 136.1% from 3Q06
- o EBITDA to Record \$1.2 Million, Up 85% from 3Q06
- o Pre-tax Income to Record \$469,355, Up 975.5% from 3Q06
- o Net Income to Record \$422,594 Compared to Prior Year Loss
- o Current Firm Backlog at Record Level of \$50 Million
- o Fourth Quarter Guidance Reiterated

Corporate Development Highlights for Third Quarter 2007:

- o New Commercial Customers Added
- o Engineering and Design Capabilities Enhanced
- o Shipped New Parts for Commercial and Defense Test Programs with Potential Market Value Up to \$700 Million
- o \$15 Million Award from Sikorsky Brings Year-to-Date Orders to \$75 Million
- o Closed Welding Metallurgy Acquisition
- o Leadership Strengthened at Management and Board Levels

"We are exceptionally proud of the entire Air Industries Group team," said Peter Rettaliata, Chief Executive Officer of Air Industries Group. "Our third quarter performance set records for financial performance by the Company. The contributions were derived from each operating area. Net sales were at the highest level in our history, driven by internally generated growth as well as through acquisitions. The aerospace industry is, we believe, in the early stages of a powerful secular growth trend and Air Industries Group should continue to be a beneficiary. Industry trends and the continued execution of our vertically integrated growth strategy should allow us to build on the momentum that we have generated."

Third Quarter 2007 Financial Results

Net sales for the three months ended September 30, 2007 were a record \$12,845,821, an increase of 63.0% as compared to \$7,883,485 in the same quarter of 2006 and 16.9% from \$10,989,536 in the second quarter of 2007. The increase in revenues reflect both organic growth at the Air Industries Machining Corp. subsidiary and the expansion of the Company as a result of recent acquisitions. Third quarter net sales include results from the Sigma Metals subsidiary for the full quarter and contribution from the Welding Metallurgy subsidiary from the time of acquisition in late August through the end of the quarter.

Gross profit in the third quarter 2007 was a record \$3,591,483, an increase of 136.1% as compared to \$1,521,409 in the same quarter of 2006 and 51.4% from \$2,372,838 in the second quarter of 2007. As a percentage of sales, gross margin in the third quarter 2007 was 28.0%, as compared to 19.3% for the same period of 2006 and 21.6% in the second quarter of 2007. The increase in the gross profit as well as gross profit as a percentage of sales for the third quarter of 2007 primarily reflects an improved revenue mix with a higher level of revenue and volume-related manufacturing efficiencies and, to a lesser extent, higher margin contributions from Sigma Metals and Welding Metallurgy revenues.

Selling, general and administrative ("SG&A") expenses for the third quarter were \$2,617,134 as compared to \$1,284,166 for the same period in 2006 and \$2,330,498 in the second quarter 2007. The increase in SG&A reflects the incremental costs associated with expanded management and the addition of overhead expenses relating to the inclusion of recently consummated acquisitions.

The Company reported record net income before provision for income taxes of \$469,355 for the three months ended September 30, 2007, as compared to a pre tax profit/loss of (\$53,610) for the three months ended September 30, 2006, and a pre tax net loss of (\$237,305) in the three months ended June 30, 2007.

Net income for the third quarter of 2007 was a record \$422,594, or \$0.01 per share, as compared to third quarter 2006 net loss of (\$32,000), or (\$0.00) per share, and a net loss of (\$315,443), or (\$0.00) per share, in the second quarter of 2007.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") for

the third quarter 2007 was a record \$1,175,388, as compared to \$366,155 in the same period of 2006 and \$218,819 for the second quarter of 2007.

Air Industries Group considers EBITDA to be an important financial indicator of the Company's operational strength and performance, and uses this indicator when making decisions regarding investments in the various components of its business and acquisition valuations. Because EBITDA is not a measurement determined in accordance with generally accepted accounting principles ("GAAP"), and is thus susceptible to varying calculations, EBITDA, as presented, may not be directly comparable to other similarly titled measures reported by other companies.

Nine Months 2007 Financial Results

Net sales for the first nine months of 2007 was \$31,323,487, as compared to net sales of \$26,001,922 for the same period in 2006. SG&A expenses for the first nine months of 2007 were \$6,074,424 as compared to \$3,456,344 for the same period in 2006. Net income before provision for income taxes was \$225,327 for the first nine months of 2007, compared to a net income before provision for income taxes of \$406,331 for the 2006 period. The Company's net income for the first nine months of 2007 was \$35,663, or \$0.00 per share, as compared to net income of \$243,777, or \$0.01 per share, in the same period of 2006.

At September 30, 2007, Air Industries Group had bank and other funded debt of \$16,247,882, and availability of approximately \$2,927,822 under the Company's loan facilities with PNC Bank. All cash balances are applied on a daily basis to amounts outstanding under the revolving portion of the Company's loan facilities rather than being accounted for on the balance sheet as cash.

The basic and diluted average weighted shares outstanding used in the Company's earnings per share calculations was 67,838,959 and 70,734,615, respectively, for the third quarter of 2007 and 64,149,247 for the first nine months of 2007. The basic and diluted average weighted shares outstanding used in the Company's earnings per share calculations was 41,545,824 for the third quarter of 2006 and 23,762,472 for the first nine months of 2006.

Management's Comments

Air Industries Group President and Chief Executive Officer Peter Rettaliata commented, "The value proposition for our Company continues to strengthen. Our third financial performance is one indicator. In addition, the foundation is now in place to reach our goal of solidifying our position as an increasingly progressive and vital player within the aerospace and defense supply chain. "At Sikorsky Aircraft Corporation, we have made significant progress as an important partner. Year to date we have received long term general purchase agreements relating to Sikorsky's BLACK HAWK helicopter program that combine for a total value of over \$75 million. The synergies derived from adding strategic core competencies to our business are clearly visible at Sikorsky. Our Welding Metallurgy subsidiary recently received a much coveted quality approval from Sikorsky.

"Our internally generated growth efforts are grounded in the notion that diversification may be achieved through commercial and military platforms as well as from customers domestically and internationally. The Company's Air Industry Machining Corp. (AIM) subsidiary shipped new mounting systems as part of a test program relating to the new "gear turbine fan engines" designed for green technologies and better fuel efficiency. Similar mounts could ultimately be used on over 3,000 planes, representing a market value for this program potentially in excess of \$600 million, for which AIM is well positioned to receive a large share. This is just one of the new programs that we are contemplating for high volume production manufacturing requirements.

"Reflecting our long term vision, the work on the engine mount program, which required substantial investment, reinforces the need to develop a more comprehensive engineering design capability. I am pleased to note that we have been investing in developing a more robust internal design team. This capability will enable us to work on more products for our prime contractor customers and garner a greater percentage of market share. We also view our design capability as a means to enhance our long term profitability, as contracts which are awarded based on our own design provide us with access to production contracts and orders for aftermarket parts.

"On the strategic consolidation front, we completed our third acquisition, Welding Metallurgy. This added a key welding and fabrication component to our vertically integrated corporate build-out. You may recall that in the second quarter, we added Sigma Metals to provide a materials distribution component. Sigma provides many strategic benefits.

"We are building the infrastructure to move up the aerospace supply chain. Our goal of transitioning from basic contract manufacturing to becoming a provider of comprehensive integration services to the industry titans is becoming a reality. To help lead Air Industries Group in this direction, we have added Kevin Dembinsky to our senior management team. Kevin was formerly the Director of Business Development for the Northrop Grumman Aerostructures Division. He will now be focusing his efforts to expand our commercial aircraft marketing capabilities, spearheading international sales and further developing our proprietary design programs. At the Board of Directors level, we added industry veteran David J. Buonanno as the seventh member, which is intended to bolster our leadership in terms of supply chain management and tactical and strategic issues. Dave had been the Vice President of Supply Chain Management at Sikorsky Aircraft.

"In conclusion, we believe that Air Industries Group is now capitalizing on the investments we made in order to build the foundation of our Company. While those costs contributed to an unprofitable first half of 2007, they also helped generate the momentum on which we can build going forward. The Company's prospects as it relates to building long term value for our shareholders are compelling. We have a record backlog and an outlook for accelerating revenue, profitability and cash flow in the fourth quarter and beyond. Moreover, we are on course to accomplish our long term goal of becoming a formidable middle market aerospace/defense player. Our target markets remain ripe with opportunity, benefiting from worldwide volume increases for both commercial and military aircraft. Air Industries Group's position strengthens every day and we are very excited by our outlook for growth."

Backlog and Guidance for 2007

The Company provides firm backlog as an indicator of future activity. As of November 15, 2007, Air Industries Group had a firm 18-month backlog that was in excess of \$50.0 million. This backlog level, which is solely derived from business relating to Air Industry Group's wholly-owned operating subsidiary, Air Industries Machining Corp., is the largest in the Company's history. The backlog at November 15 reflects a 4.2% increase as compared to the prior firm backlog of \$48.0 million as of June 30, 2007.

The Company previously announced financial results guidance that includes a consolidation of AIM, Sigma Metals and Welding Metallurgy. Management today reiterated its guidance for consolidated run rates by the end of 2007 for revenue within the range of \$57 million to \$60 million, EBITDA within the range of \$4.5 million to \$6.0 million, and net income within the range of \$2.0 million to \$2.5 million. The Company has already achieved its EBITDA goal with a third quarter 2007 run rate of \$4.8 million.

Earnings Results Conference Call

Management of Air Industries Group will conduct a conference call today, November 16, 2007, at 9:00 a.m. Eastern Time to review the Company's financial results for the second quarter ended June 30, 2007.

To access the teleconference, please dial (866) 831-6291 (domestic) or (617) 213-8860 (international), and enter the passcode "69061385" when prompted. Please access the call approximately 10 minutes prior to the start time.

For those unable to listen to the live broadcast, a replay will be available by dialing (888) 286-8010 (domestic) or (617) 801-6888 (international), with playback access code "11874837", starting approximately two hours after the conclusion of the call.

ABOUT AIR INDUSTRIES GROUP, INC.

Air Industries Group, Inc. (OTCBB: AIRI) is an integrated manufacturer of precision components and provider of supply chain services for the aerospace and defense industry. The Company has over 35 years of experience in the industry and has developed leading positions in several important markets that have significant barriers to entry. With embedded relationships with many leading aerospace and defense prime contractors, the Company designs and manufactures structural parts and assemblies that focus on flight safety, including landing gear, arresting gear, engine mounts and flight controls. Air Industries Group also provides sheet metal fabrication, tube bending, and welding services, as well as distributing specialty metals that are a critical component in the aerospace supply chain. Information on the Company and its products may be found online at www.airindustriessgroup.com.

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Certain matters discussed in this press release are 'forward-looking statements' intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. In particular, the Company's statements regarding trends in the marketplace, firm backlog, projected backlog, potential future results and acquisitions, are examples of such forward-looking statements. The forward-looking statements include risks and uncertainties, including, but not limited to, the timing of projects due to the variability in size, scope and duration of projects, estimates, projections and forecasts made by management with respect to the Company's critical accounting policies, firm backlog, projected backlog, regulatory delays, government funding and budgets, matters pertaining to potential and pending acquisitions subject to and after closings, and other factors, including results of financial audits and general economic conditions, not within the Company's control. Certain of the Company's forward looking statements, with the projected backlog in particular, are formulated based on management's extensive industry experience and understanding and assessment of industry trends, customer requirements, and related government spending. Projected backlog may be subject to variability and may increase or decrease at any time based on a variety of factors, including but not limited to modifications of previously released orders, acceleration of orders under general purchase agreements, etc. The factors discussed herein and expressed from time to time in the Company's filings with the Securities and Exchange Commission could cause actual results and developments to be materially different from those expressed in or implied by such statements. The forward-looking statements are made only as of the date of this press release and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

(Tables to follow)

Contact:

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AIR INDUSTRIES GROUP, INC.
CONSOLIDATED BALANCE SHEETS

	(Unaudited) September 30, 2007	December 31, 2006
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ASSETS		
Current assets:		
Cash and cash equivalents	\$ 760,912	\$ --
Accounts receivable - trade, net of allowance for doubtful accounts of \$304,451 for 2007 and \$176,458 for 2006.	6,760,328	3,508,967
Inventory, net	21,457,096	15,257,641
Prepaid Expenses and Other Current Assets	139,308	232,749
Deposits	338,694	180,456
Total current assets	29,456,338	19,179,803
Property, plant and equipment, net	4,385,643	3,565,316
Deferred Financing Cost	587,203	369,048
Other Assets	406,581	63,522
Goodwill	11,553,546	1,265,893
Income Taxes Receivable	127,613	--
Deposits	471,119	448,530
	-----	-----
Total assets	\$ 46,988,043	\$ 24,892,182
	=====	=====
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and Accrued Expenses	\$ 5,579,317	\$ 7,648,426
Notes Payable - Revolver	10,942,980	5,027,463
Notes Payable - Current Portion	4,627,776	127,776
Notes Payable - Sellers - Current Portion	1,066,671	192,400
Capital Lease Obligations - Current Portion	283,551	407,228
Due to Sellers	--	53,694
Dividends Payable	120,003	120,003
Deferred Gain on Sale - Current Portion	38,033	38,033
Income Taxes Payable	--	653,426
	-----	-----
Total current liabilities	22,658,331	14,268,449
Long term liabilities:		
Notes Payable - Net of Current Portion	677,126	645,458
Notes Payable - Sellers - Net of Current Portion	2,825,221	1,290,562
Capital Lease Obligations - Net of Current Portion	1,265,094	552,589
Deferred Tax Liability	862,208	512,937
Deferred Gain on Sale - Net of Current Portion	684,591	713,118
Deferred Rent	182,045	39,371
Total liabilities	29,154,616	18,022,484
Commitments and contingencies		
Stockholders' Equity:		
Preferred Stock - Authorized 8,003,716		
Series A Convertible Preferred - \$0.001 Par Value, 1,000 shares Authorized 0 shares issued and outstanding as of September 30, 2007 and December 31, 2006, respectively	--	--
Series B Convertible Preferred - \$0.001 Par Value 2,000,000 Shares Authorized 802,300 and 0 Shares issued and outstanding as of September 30, 2007 and December 31, 2006 respectively	802	--
Common stock, \$.001 par value, 120,055,746 shares authorized 69,122,227 and 57,269,301 shares issued and outstanding as of September 30, 2007 and December 31, 2006, respectively	69,122	57,269
Additional paid-in capital	18,814,113	7,898,702
Accumulated deficit	(1,050,610)	(1,086,273)
Total stockholders' equity	17,833,427	6,869,698
Total liabilities and stockholders' deficit	\$ 46,988,043	\$ 24,892,182

AIR INDUSTRIES GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATION
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Sales	\$ 12,845,821	\$ 7,883,485	\$ 31,323,487	\$ 26,001,922
Cost of sales	9,254,338	6,362,076	24,110,520	21,214,968
Gross profit	3,591,483	1,521,409	7,212,967	4,786,954
Operating Expenses:				
Selling and marketing	384,453	175,515	1,005,331	473,760
General and administrative	2,232,681	1,108,651	5,069,093	2,982,584
Operating expenses	2,617,134	1,284,166	6,074,424	3,456,344
Income from operations	974,349	237,243	1,138,543	1,330,610
Other income (expense):				
Interest and Financing costs expense	(478,920)	(290,853)	(890,743)	(978,029)
Gain on sale of life insurance policy	--	--	--	53,047
Gain on sale of real estate	9,509	--	28,527	
Other income	15,125	--	25,012	803
Other expenses	(50,708)	--	(76,012)	--
Other income (expense), net	(504,994)	(290,853)	(913,216)	(924,179)
Net income (loss) before income taxes	225,327	469,355	(53,610)	406,431
(Provision) benefit for income	21,455	(46,761)	(189,664)	(162,654)
Net income (loss)	422,594	(32,155)	35,663	243,777
Preferred stock dividend requirements	(136,578)	(100,000)	(247,542)	(460,000)
Net income (loss) applicable to common stockholders	\$ 286,016	\$ (132,155)	\$ (211,879)	\$ (216,233)
Basic net income (loss) per share	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ (0.00)
Diluted net income (loss) per share	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average shares of common stock outstanding - basic	67,838,959	41,545,824	64,149,247	23,762,472
Weighted average shares of common stock outstanding - diluted	70,734,615	41,545,824	64,149,247	23,762,472