

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):
April 18, 2017

AIR INDUSTRIES GROUP

(Exact Name of Registrant as Specified in its Charter)

Nevada
State of
Incorporation

001-35927
Commission
File Number

80-0948413
IRS Employer
I.D. Number

360 Motor Parkway, Suite 100, Hauppauge, NY 11788
(Address of Principal Executive Offices)

Registrant's telephone number: (631) 881-4920

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 and Financial Condition.

On April 18, 2017, Air Industries Group (the “Company”) issued a press release announcing its financial operating results for the quarter and year ended December 31, 2016. The press release is annexed as Exhibit 99.1 to this report.

Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

On April 18, 2017, the Company received a letter from NYSE MKT LLC (the “Exchange”) stating that the Exchange has determined that the Company is not in compliance with Sections 134 and 1101 of the Exchange’s Company Guide (the “Company Guide”) due to the Company’s failure to timely file its Annual Report on Form 10-K for the year ended December 31, 2016 with the Securities and Exchange Commission (the “SEC”). The letter also states that the Company’s failure to timely file such Annual Report on Form 10-K is a material violation of its listing agreement with the Exchange and, therefore, pursuant to Section 1003(d) of the Company Guide, the Exchange is authorized to suspend and, unless prompt corrective action is taken, remove the Company’s securities from the Exchange.

The Exchange has informed the Company that, in order to maintain its listing on the Exchange following failure to timely file the Annual Report on Form 10-K, the Company must, by May 18, 2017, submit a plan of compliance (the “Plan”) addressing how it intends to regain compliance with Sections 134 and 1101 of the Company Guide by October 18, 2017 (the “Plan Period”).

If the Plan is accepted, the Company will be able to continue its listing during the Plan Period, during which time the Company will be subject to periodic review to determine whether it is making progress consistent with the Plan. The letter from the Exchange advised that if the Company is not in compliance with the continued listing standards of the Company Guide by October 18, 2017 with respect to the delayed Annual Report on Form 10-K, or if the Company does not make progress consistent with the Plan during the Plan Period, then the Exchange staff will initiate delisting proceedings as appropriate.

The Company filed its Annual Report on Form 10-K for the year ended December 31, 2017 on April 19, 2017.

On April 19, 2017 the Company issued a press release announcing its receipt of the letter from the Exchange. A copy of the press release is included as Exhibit 99.2 to this report.

Item 7.01 Regulation FD Disclosure.

As stated in Item 2.02 of this report, On April 18, 2017, the Company issued a press release announcing its financial operating results for the quarter and year ended December 31, 2016. The press release is annexed as Exhibit 99.1 to this report.

As stated in Item 3.01 of this report, on April 19, 2017 the Company issued a press release announcing its receipt of the letter from the Exchange referred to in Item 3.01. A copy of the press release is included as Exhibit 99.2 to this report.

The information in this Item 7.01 of this Form 8-K, including Exhibits 99.1 and 99.2 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 us 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. Financial Statements and Exhibits.

(c) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Text of press release issued by Air Industries Group on April 18, 2017 announcing its financial operating results for the quarter and year ended December 31, 2016.
99.2	Text of press release issued by Air Industries Group on April 19, 2017 announcing its receipt of a letter from the NYSE MKT advising the Company of its determination that the Company is not in compliance with Sections 134 and 1101 of the Exchange's Company Guide due to the Company's failure to timely file its Annual Report on Form 10-K for the year ended December 31, 2016 with the Securities and Exchange Commission.

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 hereunto duly authorized.

Dated: April 19, 2017

AIR INDUSTRIES GROUP

By: /s/ Michael Recca

Michael Recca

Chief Financial Officer



Hauppauge, NY -- (Globe Newswire -- April 18, 2017 -- Air Industries Group (NYSE MKT: AIRI)).

Air Industries Group Announces Financial Operating Results for 2016, Revenue for the First Quarter of 2017 and Full Year 2017 Revenue Guidance

GlobeNewswire•April 18, 2017

HAUPPAUGE, N.Y., April 18, 2017 (GLOBE NEWSWIRE) -- Air Industries Group (NYSE MKT:AIRI) (“Air Industries” or the “Company”), an integrated manufacturer of precision equipment assemblies and components for leading aerospace and defense prime contractors, announced Financial Operating Results for the year ended December 31, 2016. Air Industries will file its Form 10-K for the year ended December 31, 2016, tomorrow, April 19, 2017.

While the Company experienced a dramatic increase in orders during 2016, revenue declined due to production inefficiencies. These production difficulties resulted in delays in introducing new products at some business units. At one of the Company’s business units, a delay in the delivery of one single order accounted for more than \$3 million in missed revenues. The decline was also caused by liquidity constraints resulting in delays in receiving product from a small number of vendors. Air Industries backlog of *past-due parts*, product that is late in delivery to customers, significantly increased during 2016.

To address these issues the Company has changed senior executive management of the Company and operating management at all of our subsidiaries.

Air Industries’ funded 18-month backlog (Air Industries only includes firm orders in calculating backlog) increased significantly by \$18 million to a total of \$90 million at December 31, 2016. The Company’s funded 18-month backlog of new orders increased further by \$8 million to a total of approximately \$98 million in the first quarter of 2017. The Company is particularly pleased to have been awarded a new five (5) year contract with Sikorsky Aircraft, one of its largest and oldest customers. The Company is also encouraged by the fact that its Sterling Engineering subsidiary which struggled during 2016, has received several million dollars of orders for new products, and has recently received orders for several legacy products that were missing in 2016. The Company also anticipates the return of a significant contract from Raytheon which is ordered in alternate years.

Revenue for the year was \$66.9 million, a decline of approximately (\$13.5) million or (17%) from approximately \$80.4 million in the prior year. Net loss before tax was (\$13.5) million, an increase of approximately (\$12.4) million from a loss of approximately (\$1.1) million in the prior year.

Approximately \$10.6 million of the increase in the loss resulted from a decline in gross profit. The decline in gross margin results from the under-absorption of factory overhead cost which is a direct result of the decline in revenue. The balance of the increase in the loss reflects the write-down of inventory for price decreases, slow-moving items and other adjustments.

For the first quarter of 2017, excluding our AMK subsidiary which was sold in January 2017, revenue from continuing operations was \$16.4 million, an increase of \$2.2 million or more than 17% over the prior year. Based upon orders in house and current production schedules, we anticipate revenues of \$18, \$19 and \$20 million for the second, third and fourth quarters of 2017 respectively; with total annual revenue of approximately \$73.5 million.

Mr. Peter Rettaliata, Chief Executive Officer of Air Industries commented: *“Since returning as CEO in March, I have been working closely with Michael Brand who is serving as Acting Chief Operating Officer. We both have been intensely focused on increasing the velocity of production at all of our business units. Our goal is returning the Company to profitability. We are doing this by accelerating production, reducing our past-due backlog and decreasing our inventories. These efforts are just beginning to show some results. One example, at our Eur-Pac subsidiary - a large \$3 million dollar project, delayed for nearly six-months - began to ship in late March. We are looking forward to additional successes and improvements across the Company in the coming months and throughout 2017.*

We have also begun a cost-reduction program, where our initial focus is on reducing labor costs. This program began in March, and is showing excellent initial results. Since March 1st, our average payroll cost has decreased by approximately \$150,000 per month. We will be vigilant in continuing to control and reduce costs.”

Mr. Michael Taglich, Chairman of the Board of Air Industries commented: *“We believe that our 2016 results were the nadir and reflect the cumulative effect of the sequestration cuts imposed on the military budget. It is our belief that the readiness crisis in the US Military with many combat aircraft grounded for lack of maintenance and replacement parts will inevitably lead to increases in government procurement. We expect that this will result in increased orders.*

It is hard to overstate the effect of sequestration in recent years. It is important to remember that as recently as 2012 the combined revenue of the companies that now comprise Air Industries was in excess of \$95 million.

We are encouraged by the year-over-year increase in revenue during the first quarter, and expect this trend to continue and hopefully accelerate during the coming quarters. It is our plan and our goal to have sequential quarter over quarter increases in revenue.

Air Industries has the full support of its Board of Directors. I would like to thank Pete Rettaliata and Mike Brand for their efforts on behalf of the Company. Air Industries also enjoys the support of Taglich Brothers and myself. I have invested several million dollars personally in Air Industries in recent months. ”

ABOUT AIR INDUSTRIES GROUP

Air Industries Group (AIRI) is an integrated manufacturer of precision equipment assemblies and components for leading aerospace and defense prime contractors. Air Industries operates in three segments: Complex Machining of aircraft landing gear and flight controls, Aerostructures & Electronics, and Turbine & Engine products.

Certain matters discussed in this press release are 'forward-looking statements' intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. In particular, the Company's statements regarding trends in the marketplace, the ability to realize firm backlog and projected backlog, cost cutting measures, potential future results and acquisitions, are examples of such forward-looking statements. The forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the timing of projects due to variability in size, scope and duration, the inherent discrepancy in actual results from estimates, projections and forecasts made by management, regulatory delays, changes in government funding and budgets, and other factors, including general economic conditions, not within the Company's control. 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.

Contact Information

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Air Industries Group Announces Receipt of a Listing Deficiency Letter from NYSE MKT and Filing of Annual Report on Form 10-K

GlobeNewswire•April 19, 2017

HAUPPAUGE, N.Y., April 19, 2017 (GLOBE NEWSWIRE) --

Air Industries Group (NYSE MKT:AIRI) - Air Industries Group (“Air Industries” or the “Company”), an integrated manufacturer of precision equipment assemblies and components for leading aerospace and defense prime contractors, announced today that, on April 18, 2017, the Company received notice from the staff of NYSE MKT LLC (the “NYSE” or the “Exchange”) that it was not in compliance with Sections 134 and 1101 of the NYSE Company Guide, as a result of the Company’s inability to timely file its Annual Report on Form 10-K for the fiscal year ended December 31, 2016. The letter also states that the Company’s failure to timely file such Annual Report on Form 10-K is a material violation of its listing agreement with the Exchange and, therefore, pursuant to Section 1003(d) of the Company Guide, the Exchange is authorized to suspend and, unless prompt corrective action is taken, remove the Company’s securities from the Exchange.

The Company filed the delinquent Annual Report on Form 10-K today

The Exchange has informed the Company that, in order to maintain its listing on the Exchange following the failure to timely file the Annual Report on Form 10-K, the Company must, by May 18, 2017, submit a plan of compliance (the “Plan”) addressing how it intends to regain compliance with Sections 134 and 1101 of the Company Guide by October 18, 2017 (the “Plan Period”).

If the Plan is accepted, the Company will be able to continue its listing during the Plan Period, during which time the Company will be subject to periodic review to determine whether it is making progress consistent with the Plan. The letter from the Exchange advised that if the Company is not in compliance with the continued listing standards of the Company Guide by October 18, 2017 with respect to the delayed Annual Report on Form 10-K, or if the Company does not make progress consistent with the Plan during the Plan Period, then the Exchange staff will initiate delisting proceedings as appropriate.

The Company believes that with the filing of the delinquent Annual Report on Form 10-K it is in full compliance with the NYSE Company Guide.

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Air Industries Group (AIRI) is an integrated manufacturer of precision equipment assemblies and components for leading aerospace and defense prime contractors. Air Industries operates in three segments: Complex Machining of aircraft landing gear and flight controls, Aerostructures & Electronics, and Turbine & Engine products.

Certain matters discussed in this press release are 'forward-looking statements' intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. In particular, the Company's statements regarding trends in the marketplace, the ability to realize firm backlog and projected backlog, cost cutting measures, potential future results and acquisitions, are examples of such forward-looking statements. The forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the timing of projects due to variability in size, scope and duration, the inherent discrepancy in actual results from estimates, projections and forecasts made by management, regulatory delays, changes in government funding and budgets, and other factors, including general economic conditions, not within the Company's control. 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.

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