SEBASTIAN P. GAETA, Individually and on Behalf of All Others Similarly Situated,

Plaintiff,

vs.

AEROSONIC CORPORATION,
J. MERVYN NABORS,
ERIC J. McCracken,
MICHAEL T. REED, and
PRICEWATERHOUSECOOPERS LLP,

Defendants.

Plaintiff Sebastian P. Gaeta, as and for his Complaint against Defendants, alleges as follows:

**NATURE OF ACTION**

1. During the period November 13, 1998, through March 17, 2003, inclusive (the “Class Period”), defendants Aerosonic Corporation (“Aerosonic” or the “Company”), J. Mervyn Nabors, Eric J. McCracken, Michael T. Reed and PricewaterhouseCoopers LLP (“PricewaterhouseCoopers”) (collectively, the “defendants”) engaged in a fraudulent scheme to artificially inflate the price of Aerosonic’s publically-traded common stock, in violation of the federal securities laws, §§ 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule 10b-5 promulgated thereunder.
2. Throughout the Class Period, defendants made materially false and misleading statements and omissions regarding the financial results, operations and condition of the Company. As a result of those statements and omissions, the Company’s stock traded at artificially inflated levels during the Class Period. Indeed, Aerosonic’s stock price more than doubled during the Class Period, reaching an all-time high of $29.50 on May 16, 2002.

3. In the wake of Aerosonic’s abrupt announcement in December 2002 that it had transferred the office of President from its long-time CEO/Chairman Mervyn Nabors to senior officer and Vice-Chairman, David Baldini, as well as the enigmatic but foreboding disclosure that both CFO Eric McCracken and an outside Director of the Audit Committee had resigned, the Company’s stock price began a downward spiral, dropping from $19.51 per share on December 16, 2002 to $13.77 per share on January 21, 2003, a loss of more than 29.4%.

4. Aerosonic’s stock price, however, was stabilized, at least temporarily, when the Company publicly announced the hiring of its new CFO, Gary Colbert, on January 21, 2003, and began touting Colbert’s financial experience and credentials, assuring investors that Colbert’s addition would immediately strengthen Aerosonic’s management team.

5. For the next month and a half, the Company’s stock price steadied, continually trading at about $15 per share.

6. However, on March 17, 2003, defendants’ fraudulent scheme quickly began to unravel, when the Company was forced to announce that it had overstated revenue and inventory by a total of at least $3 million during the fiscal years ended January 31, 2001 and 2002, and the fiscal quarters ended April 30, July 31, and October 31, 2002. As a result, Aerosonic’s stock price again plummeted, dropping from $15 to $10.10 per share, thus losing 32.7% of its value by the close of the next day’s trading.
7. Aerosonic dropped yet another revelation on its investors on May 22, 2003, when it not only confirmed that it had overstated revenues and inventory by some $3 million over the last three years, but then added that "the Company has thus far identified approximately $3.2 million of additional changes that should be made to its financial statements." In characterizing its accounting problems, the Company admitted that (emphasis added):

These adjustments are the result of misstatements and misrepresentation in the Company's financial statements, falsification of certain inventory records, adjustments for obsolete and slow moving inventory, improper revenue recognition, questionable fixed asset capitalization, and disbursement and compensation issues.

In addition, the Company announced that Nabors had resigned as Chairman of Aerosonic, and admitted – contrary to its public statements in December 2002 – that Baldini had effectively been serving as Chairman since November of 2002.

8. On June 3, 2003, the Company announced that the U.S. Securities and Exchange Commission (the "SEC") has launched a formal investigation into Aerosonic's accounting improprieties.

9. Notwithstanding the Company's claim in May 2003 that its own investigation into the accounting misstatements has been "substantially completed," Aerosonic continually failed to file requisite financial reports with the SEC, including its Form 10-K for the fiscal year ended January 31, 2003 and Forms 10-Q for the fiscal quarters ended April 30, 2003 and July 31, 2003. Unsurprisingly, on September 25, 2003, the American Stock Exchange ("AMEX") halted the public trading of the Company's stock "due to the absence of available current financial information concerning the Company."
10. Finally, on October 31, 2003, Aerosonic belatedly filed its Form 10-K for the fiscal year ended January 31, 2003. In that Form 10-K, the Company admitted that its financial statements, including all of its Forms 10-K and 10-Q, were materially false and misstated for the periods covered by **February 1, 1998 to October 31, 2002**, because the Company had violated Generally Accepted Accounting Principles ("GAAP") and overstated its revenues and earnings by millions of dollars. Moreover, the Company stated that (emphasis added), “as a result of the unavailability of certain accounting records for periods predating 2001, the Company is unable to determine the full extent of adjustments that would be necessary to a fair presentation of the restated financial information included [in the Form 10-K] for 1999 and 2000.”

**JURISDICTION AND VENUE**

11. This Court has jurisdiction over the subject matter of this action pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa, and 28 U.S.C. § 1331. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act, as amended, 15 U.S.C. § 78j(b) and § 78t(a), and Rule 10b-5, 17 C.F.R. § 240.10b-5 promulgated thereunder by the SEC.

12. Venue is proper in this District pursuant to Section 27 of the Exchange Act, 15 U.S.C. § 78aa, and 28 U.S.C. § 1391(b). Many of the acts and transactions giving rise to the violations of law complained of herein, including the preparation and dissemination to the investing public of materially false and misleading information, occurred in this District. In addition, Aerosonic maintains its principal executive offices within this District.

13. In connection with the acts, conduct and other wrongs alleged in this Complaint, the defendants, directly and indirectly, used the means and instrumentalities of interstate commerce including the mail, the Internet, telephone communications and the facilities of national securities exchanges.
THE PARTIES

14. Plaintiff Gaeta is and was, at all times relevant, a resident of Michigan. During the Class Period, Plaintiff Gaeta purchased common stock shares of Aerosonic at artificially inflated prices and was damaged thereby. Plaintiff’s Certification Pursuant to the Federal Securities Laws is attached to this complaint.

15. Defendant Aerosonic is a corporation organized under the laws of Delaware and has principal offices in Clearwater, Florida. The Company is primarily engaged in the manufacture of aircraft instruments. The Company consists of three geographical locations and four operating divisions. The divisions are the Clearwater, Florida Instrument Division (“Clearwater Instruments”), the Aerosonic Wichita, Kansas Division (“Kansas Instruments”), Avionics Specialties, Inc. ("Avionics"), a Virginia corporation wholly owned by the Company, and the Precision Components Division (“Precision Components”). Aerosonic’s products are sold to manufacturers of commercial and private aircraft, both domestic and foreign, and the U.S. military services. For the fiscal year ended January 31, 2002, approximately 60% of the Company’s total sales were to the private sector and 40% to the military. The Company’s stock has traded on the AMEX since 1993 under the symbol “AIM”. For financial reporting purposes, Aerosonic maintains a fiscal year end of January 31. According to its latest Form 10-Q, filed with the SEC on December 16, 2002, Aerosonic had 3,923,000 shares of common stock issued and outstanding as of October 31, 2002.

16. Defendant J. Mervyn Nabors was, at times relevant, Chairman of the Board, Chief Executive Officer (“CEO”) and President of Aerosonic. Nabors began working for the Company in 1962. He was first elected Chairman, CEO and President of Aerosonic in April of 1996. On December 4, 2002, the Company announced that it had replaced Nabors as its President. On May 22, 2003, the Company announced that Nabors had resigned as Chairman, but that he would
be available as a consultant to the Company’s new President for a period of one year and remain as a Director through his current term. Nabors signed the Company’s Forms 10-K for the fiscal years ended January 31, 1999, 2000, 2001 and 2002. Nabors also signed the Company’s Form 10-Q for the fiscal quarter ended April 30, 1998. Nabors also personally certified the Form 10-Q for the fiscal quarter ended October 31, 2002. In addition, Nabors authorized the filing of all of the Company’s Forms 10-K and 10-Q that were filed during the Class Period. Nabors also signed the Company’s Definitive Proxy Statements that were filed with the SEC on May 28, 1999, May 26, 2000, June 1, 2001 and May 31, 2002. Nabors knew (or recklessly disregarded) that the above SEC filings contained when filed materially false and misleading statements and omissions regarding the Company’s financial results, operations and condition. According to Aerosonic’s May 31, 2002 Definitive Proxy Statement, Nabors held 1,242,000 shares of Aerosonic common stock, or 31.7% of the Company’s stock issued and outstanding, as of May 22, 2002.

17. Defendant Eric J. McCracken was, at times relevant, Chief Financial Officer (“CFO”), Executive Vice President and a Director of Aerosonic. McCracken holds a B.A. degree in business administration from St. Leo University. Prior to his employment at Aerosonic, McCracken served in the United States Air Force from 1984 to 1990 as an aircraft weapons systems instructor and technician. From 1991 to 1996, he was a Vice President of Corporate Banking for Barnett Bank, N.A. McCracken was elected as a Director, Vice President and CFO of Aerosonic in November 1996. McCracken signed the Company’s Forms 10-K for the fiscal years ended January 31, 1999, 2000, 2001 and 2002. With the exception of the Forms 10-Q for the fiscal quarters ended April 30, 1998 and October 31, 2002, McCracken also signed all of the Company’s Forms 10-Q that were filed during the Class Period. In addition, McCracken
personally certified the Form 10-Q for the fiscal quarter ended July 31, 2002, which was filed with the SEC on September 16, 2002. McCracken also authorized the Company’s Definitive Proxy Statements, filed with the SEC on June 1, 2001 and May 31, 2002. McCracken knew (or recklessly disregarded) that the above SEC filings contained when filed materially false and misleading statements and material omissions regarding the Company’s financial results, operations and condition. According to the Company’s December 16, 2002 Form 10-Q, McCracken resigned his directorship – and apparently also his positions as the Company’s CFO and Executive Vice President – in order “to pursue a personal business opportunity.”

18. Defendant Michael T. Reed was, at all times relevant, Principal Accountant and Controller (Principal Financial Accountant) of Aerosonic. Reed signed and certified the Company’s Form 10-Q for the quarter ended October 31, 2002, which was filed with the SEC on December 16, 2002. Reed knew (or recklessly disregarded) that the above SEC filing contained when filed materially false and misleading statements and omissions regarding the Company’s financial results, operations and condition.

19. Nabors, McCracken and Reed are collectively referred to herein as the “individual defendants”.

20. As a result of their positions with the Company, each of the individual defendants had access to the adverse non-public information about the Company’s true financial results, operations and condition and each had access to internal, non-public corporate documents, conversations and connections with other corporate officers and employees, attendance at management and/or Board of Directors’ meetings and committees thereof, and reports and other information provided to them in connection therewith. Because of their positions with the Company, all of the individual defendants controlled and/or possessed the power and authority to
control the contents of the Company’s SEC filings, press releases, and presentations to securities analysts, which information was conveyed through the analysts to the investing public. Each individual defendant was responsible and obligated to ensure the accuracy of the Company’s SEC filings, reports, and press releases alleged herein to be misleading, and each had the ability and opportunity to prevent their issuance if they were inaccurate or to promptly correct same.

21. Because of their positions and access to material non-public information available to them, each of the individual defendants either knew or recklessly disregarded that the Company’s SEC filings, press releases, and presentations to securities analysts contained material misstatements and omissions. Each of the individual defendants is therefore liable for making or participating in making such material misstatements and omissions regarding the true state of the Company’s financial results, operations and condition.

22. Defendant PricewaterhouseCoopers was, at all times relevant, the outside accountant and auditor for Aerosonic. PricewaterhouseCoopers is a “Big 4” public accounting firm with offices throughout the United States, including Tampa, Florida. PricewaterhouseCoopers audited Aerosonic’s financial statements for each of the fiscal years ended January 31, 1999, 2000, 2001 and 2002, issued unqualified audit reports on those financial statements, and consented to the inclusion of those unqualified audit reports in Aerosonic’s Forms 10-K for those periods. PricewaterhouseCoopers’ unqualified audit reports on those financial statements were dated, respectively, April 26, 1999, April 10, 2000, March 30, 2001 and March 29, 2002, and addressed to the Board of Directors and Shareholders of Aerosonic. In those unqualified audit reports, PricewaterhouseCoopers certified: (i) that it audited Aerosonic’s financial statements “in accordance with auditing standards generally accepted in the United States of America [a/k/a/ GAAS]”; (ii) that it planned and performed those audits “to obtain
reasonable assurance about whether the financial statements are free of material misstatement”; (iii) that, in its opinion, Aerosonic’s financial statements “present fairly, in all material respects, the financial position” of Aerosonic “in conformity with accounting principles generally accepted in the United States of America [a/k/a GAAP]”; and (iv) that its audits provided “a reasonable basis for [its] opinions.” PricewaterhouseCoopers, or its predecessor firm Coopers & Lybrand L.L.P., has been the outside accountant and auditor for Aerosonic since 1995.

OTHER RELEVANT PERSONS AND ENTITIES

23. David A. Baldini was, at times relevant, President and a Vice-Chairman of Aerosonic. Baldini was first elected to the Company’s Board in 1995. Prior to that time, Baldini was the President of the Company’s Avionics operating division in Charlottesville, Virginia. On December 4, 2002, the Company announced that Baldini had replaced Nabors as President of Aerosonic. Prior to his employment with Aerosonic, Baldini was President of Teledyne Avionics from 1990 until it was acquired by the Company in 1993 and became the Avionics division. Baldini holds a B.S. degree in economics from Hampton-Sydney College. Baldini authorized the Form 10-Q for the fiscal quarter ended October 31, 2002, which was filed with the SEC on December 16, 2002. Baldini also authorized the Company’s Definitive Proxy Statements, filed with the SEC on June 1, 2001 and May 31, 2002.

24. As of May 22, 2002, the Aerosonic Board of Directors consisted of J. Mervyn Nabors, David A. Baldini, Eric J. McCracken, P. Mark Perkins, William C. Parker, Daniel J. Garwacki and A. Todd Beard. With the exception of Garwacki and Beard, these are the same individuals that composed the Company’s Board during the period June 14, 2000 to May 22, 2002. At times during this earlier period, the Board seats held by Garwacki and Beard were instead held by Carm Russo and Melissa Clark Daley.
25. As of May 22, 2002, the Audit Committee of the Company's Board of Directors consisted of Garwacki, Beard and Parker. As of June 1, 2001, the Audit Committee of the Company's Board of Directors consisted of Garwacki, Daley and Parker. As of May 31, 2000, the Audit Committee of the Company's Board of Directors consisted of Daley, Parker and Nabors. Prior to that, the Audit Committee consisted of McCracken and Nabors. According to Aerosonic's Definitive Proxy Statements filed with the SEC during the Class Period, "[t]he functions of this committee include: review of the scope of audits and the results of such audits; review of accounting policies and adequacy of internal controls; review of the fees paid to, and the scope of services provided by the independent auditors; and recommending selection of the independent auditors."

26. Director Garwacki was first elected to the Aerosonic Board in 2001. Prior to that, Garwacki was employed by the Internal Revenue Service, and during 1998, formed his own CPA firm. In 1965, Garwacki received his B.S. in business administration from American International College in Massachusetts. Currently, Garwacki performs accounting, tax and consulting services for a variety of businesses. Garwacki has been a CPA since 1980 and is a member of both the American Institute of CPA's and the Florida Institute of CPA's. According to the Company's Form 10-Q for the fiscal quarter ended October 31, 2002, which was filed with the SEC on December 16, 2002, Garwacki resigned from his position on the Board "in response to Aersonics complying with the Sarbanes-Oxley Act of 2002."

27. Director Beard was first elected to the Aerosonic Board in 2001. Beard is currently a Senior Vice President for First Commercial Bank, where he has been employed since 1988. Beard received a B.S. degree in Commerce and Business Administration in 1984 while
concentrating in Banking with interests in Corporate Finance and Investment Management.

Beard resigned from the Company's Board on or about March 28, 2003.

28. Director Parker was first elected to the Aerosonic Board in 1995. Parker was employed by Aerosonic for over 34 years. Parker started his career at Aerosonic in or about 1963 as an instrument assembler, and later held a variety of other positions including Production Manager for the Boeing project, Production Manager of Assembly, Production Manager of the Machine Shop, Vice President of Production, Vice President of Purchasing, Vice President of Marketing and President of Aerosonic until his retirement in August of 1997.

29. Director Daley was first elected to the Aerosonic Board in 1999. Daley was employed by a division of Dresser Industries from 1979 to 1988 before joining a private law firm in Baltimore, Maryland. In 1993, she joined the Florida law office of Zuckerman, Spaeder where she concentrated in the areas of general corporate practice and commercial litigation. Ms. Daley formed her own firm in January of 1998. She has a B.A. degree in business administration and a minor in ceramic engineering from Rutgers University, and earned her Juris Doctor degree from the University of Baltimore School of Law. Ms. Daley is admitted to practice law in Florida, Maryland and the District of Columbia.

30. Director Russo was first elected to the Aerosonic Board in 1998. Russo was hired by Aerosonic in 1988 as Director of Quality Control. In 1996, he was promoted to Vice President of Engineering and in 1998 became Executive Vice President, Engineering and Production. Prior to his employment with Aerosonic, Russo worked for six years as Director of Quality Control at Factron/Schlumberger and twelve years at Mohawk Data Sciences in engineering and production departments. Russo attended Mohawk Valley Community College where he studied Mechanical Engineering.
CLASS ACTION ALLEGATIONS

31. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure: on behalf of himself and a class (the “Class”) consisting of all persons who purchased Aerosonic common stock on the open market during the Class Period and who suffered damages thereby. Excluded from the Class are defendants, the officers and directors of the Company at all times relevant, members of their immediate families, any entity in which any defendant has a controlling interest, and the legal affiliates, representatives, heirs, controlling persons, successors and predecessors in interest or assigns of any such excluded person or entity.

32. This action is properly maintainable as a class action because:

(a) During the Class Period, nearly 4 million shares of Aerosonic common stock were outstanding. Aerosonic was, until recently, listed and is actively traded on the AMEX, a national securities exchange and an efficient market, and a liquid market for Aerosonic common stock. The members of the Class are dispersed throughout the United States and are so numerous that joinder of all Class members is impracticable. Hundreds of thousands of shares of Aerosonic common stock were publicly traded during the Class Period and, based upon Aerosonic’s SEC filings and other public disclosures, plaintiff believes that there are at least hundreds and perhaps as many as one thousand or more members of the Class;

(b) Plaintiff’s claims are typical of the claims of the other members of the Class. Plaintiff and all members of the Class purchased and/or acquired their Aerosonic common stock in reliance upon defendants’ statements to the public and/or the integrity of the open market and sustained damages as a result of defendants’ wrongful conduct alleged in this Complaint;
(c) Plaintiff is a representative party who will fairly and adequately protect the interests of the other members of the Class and has retained counsel competent and experienced in class action securities litigation;

(d) A class action is superior to other available methods for the fair and efficient adjudication of the claims asserted herein, because joinder of all members is impracticable. Furthermore, because the damages suffered by the individual Class members may be relatively small, the expense and burden of individual litigation make it virtually impossible for the Class members to individually redress the wrongs done to them. The likelihood of individual Class members prosecuting separate claims is remote;

(e) Plaintiff anticipates no unusual difficulties in the management of this action as a class action; and

(f) Common questions of law and fact predominate over any questions affecting any individual members of the Class.

33. The questions of law and fact which are common to plaintiff and the Class include, among others:

(a) Whether the federal securities laws were violated by defendants’ acts and omissions as alleged herein;

(b) Whether the documents, press releases, financial reports and statements disseminated to the investing public and to Aerosonic shareholders during the Class Period misrepresented or omitted material facts about the financial results, operations and condition of Aerosonic;

(c) Whether PricewaterhouseCoopers’s audit reports on Aerosonic’s Class Period financial statements were materially false and misleading as alleged herein;
(d) Whether defendants acted with knowledge or with reckless disregard for the truth in misrepresenting and/or omitting to state material facts;

(e) Whether, during the Class Period, the market price of Aerosonic’s common stock was artificially inflated due to the omissions and/or material misrepresentations complained of herein;

(f) Whether defendants participated in and pursued the common course of conduct complained of herein;

(g) Whether the individual defendants were “control persons” within the meaning of Section 20(a) of the Exchange Act; and

(h) Whether the members of the Class have sustained damages and, if so, what is the extent of such damages.

ADDITIONAL SUBSTANTIVE ALLEGATIONS

Background of Relationship Between Nabors and Aerosonic

34. Aerosonic was founded by Herb J. Frank in the 1950s.

35. In 1962, J. Mervyn Nabors began working for Aerosonic. During the next twenty years, Nabors held a variety of positions at the Company.

36. According to a September 11, 2000 article in the Tampa Tribune, Nabors started his own aircraft parts company (American Instruments Co.) in 1982; although Nabors left his employment with Aerosonic, he continued to stay in touch with Herb Frank. In 1995, Frank arranged to have Nabors added to Aerosonic’s Board of Directors. In 1996, Frank died unexpectedly. On the night of Frank’s burial, his widow, Miriam Frank, and his brother, Seymour Frank, asked Nabors to come back and run the Company. Nabors agreed and purchased 1.09 million Aerosonic shares from the Frank family trust. In April 1996, the Company’s Board
appointed Nabors to serve as the President, CEO and Chairman of Aerosonic. After taking control of Aerosonic, Nabors “restructured operations and production controls. He dismissed 20 percent of the company’s administrative team and recruited a new chief financial officer [Eric McCracken].” Since then, Nabors has been credited by some with a supposed financial “turn-around” of Aerosonic, which up until recently had positioned itself as an attractive merger candidate looking for a corporate suitor.

**Defendants’ False And Misleading Statements**


38. That same day, Aerosonic filed with the SEC its Form 10-Q for the fiscal quarter ended April 30, 1998, which, among other things, repeated the financial results that were announced in the Company’s June 15, 1998 press release and stated that inventory as of April 30, 1998 was $7,764,000.

39. On September 8, 1998, Aerosonic issued a press release announcing its financial results for the fiscal quarter ended July 31, 1998, reporting among other things: revenues of $4,888,000, net income of $55,000 and EPS of $0.01. The press release also reported that “[t]he company has been approached by third parties concerning the possible acquisition of the company. As a result, the board of directors of the company has decided to evaluate the company’s strategic alternatives in a manner designed to maximize shareholder value.”

40. On September 21, 1998, Aerosonic filed with the SEC its Form 10-Q for the fiscal quarter ended July 31, 1998, which, among other things, repeated the financial results that were
announced in the Company's September 8, 1998 press release and stated that inventory as of July 31, 1998 was $8,075,000.


42. On December 15, 1998, Aerosonic issued a press release announcing its financial results for the fiscal quarter ended October 31, 1998, reporting among other things: revenues of $4,748,000, net income of $51,000 and EPS of $0.01.

43. That same day, Aerosonic filed with the SEC its Form 10-Q for the fiscal quarter ended October 31, 1998, which, among other things, repeated the financial results that were announced in the Company's December 15, 1998 press release and stated that inventory as of October 31, 1998 was $8,365,000.

44. On December 23, 1998, Aerosonic issued a press release announcing that it “has engaged Bowles, Hollowell, Conner & Co., a subsidiary of First Union Corp., to advise [the Company's] board of directors in evaluating strategic alternatives to optimize shareholder value. Such alternatives may include investigation of potential merger or investment partners, which could bring operating synergies to the company and augment Aerosonic's relationships with key customers.”


46. On May 17, 1999, Aerosonic filed with the SEC its Form 10-K for the fiscal year ended January 31, 1999, which, among other things, repeated the financial results that were announced in the Company's May 3, 1999 press release and stated that inventory as of January 31, 1999 was $8,888,000. Footnote 1 accompanying Aerosonic's financial statements stated,
among other things, that (emphasis added): “Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out method. Provisions are made for any inventory deemed excess or obsolete.”

47. On May 28, 1999, Aerosonic filed with the SEC its Notice of Annual Meeting of Shareholders and Proxy Statement (the “Definitive Proxy Statement”) for the annual meeting of its shareholders to be held on July 16, 1999. That Definitive Proxy Statement reported, among other things, a “FIVE-YEAR CUMULATIVE TOTAL RETURN” on Aerosonic common stock as compared to the return on a similar investment based on the “Amex Market Value Index” and the “SIC Code Index”. Specifically, that Definitive Proxy Statement reported that a $100 investment in the Company’s stock on January 31, 1994 would have yielded an $412.77 investment as of January 29, 1999.

48. Aerosonic’s May 28, 1999 Definitive Proxy Statement was authorized by its Board of Directors and signed by Chairman Nabors on behalf of the Board.

49. On June 14, 1999, Aerosonic issued a press release announcing its financial results for the fiscal quarter ended April 30, 1999, reporting among other things: revenues of $4,894,000, net income of $49,000 and EPS of $0.01.

50. That same day, Aerosonic filed with the SEC its Form 10-Q for the fiscal quarter ended April 30, 1999, which, among other things, repeated the financial results that were announced in the Company’s June 14, 1999 press release and stated that inventory as of April 30, 1999 was $9,593,000.

51. On September 16, 1999, Aerosonic filed with the SEC its Form 10-Q for the fiscal quarter ended July 31, 1999, reporting among other things: revenues of $5,861,000, net income of $144,000, EPS of $0.04 and inventory of $9,523,000 as of July 31, 1999.
52. On December 6, 1999, Aerosonic issued a press release announcing its financial results for the fiscal quarter ended October 31, 1999, which reported, among other things: revenues of $6,237,000, net income of $68,000 and EPS of $0.02.

53. On December 15, 1999, Aerosonic filed with the SEC its Form 10-Q for the fiscal quarter ended October 31, 1999, which, among other things, repeated the financial results that were announced in the Company’s December 6, 1999 press release and stated that inventory as of October 31, 1999 was $9,816,000.

54. On April 10, 2000, Aerosonic issued a press release announcing its financial results for the fiscal year ended January 31, 2000, reporting among other things: revenues of $23,271,000, net income of $260,000 and EPS of $0.07.

55. On May 17, 2000, Aerosonic filed with the SEC its Form 10-K for the fiscal year ended January 31, 2000, which, among other things, repeated the financial results that were announced in the Company’s April 10, 2000 press release and stated that inventory as of January 31, 2000 was $10,606,000. Footnote 1 accompanying Aerosonic’s financial statements stated, among other things, that (emphasis added): “Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out method. **Provisions are made for any inventory deemed excess or obsolete.**”

56. On May 26, 2000, Aerosonic filed with the SEC its Notice of Annual Meeting of Shareholders and Proxy Statement (the “Definitive Proxy Statement”) for the annual meeting of its shareholders to be held on July 21, 2000. That Definitive Proxy Statement reported, among other things, a “FIVE-YEAR CUMULATIVE TOTAL RETURN” on Aerosonic common stock as compared to the return on a similar investment based on the “Amex Market Value Index” and the “SIC Code Index”. Specifically, that Definitive Proxy Statement reported that a $100
investment in the Company's stock on January 31, 1995 would have yielded a $500 investment as of January 31, 2000.

57. Aerosonic's May 26, 2000 Definitive Proxy Statement was authorized by its Board of Directors and signed by Chairman Nabors on behalf of the Board.

58. On June 14, 2000, Aerosonic issued a press release announcing its financial results for the fiscal quarter ended April 30, 2000, reporting among other things:

Net sales increased by 32% to $6,484,000 from $4,894,000 in the prior year period. Gross profit increased by 6% to $2,090,000 from $1,965,000 in the prior year period. Earnings before income tax increased by 91% to $151,000 from $79,000 in the prior year period. Net income was $91,000 compared with net income of $49,000 in the prior year period, representing an increase of 86%.

* * *

In making the announcement, J. Mervyn Nabors, the company’s chief executive officer, stated: “Very positive growth in sales for fiscal year 2000 has carried over into the first quarter of fiscal year 2001. Strong sales of both the core products and our advanced cockpit instrumentation have greatly contributed to the continued sales growth.”

59. That same day, Aerosonic filed with the SEC its Form 10-Q for the fiscal quarter ended April 30, 2000, which, among other things, repeated the financial results that were announced in the Company’s June 14, 2000 press release and stated that inventory as of April 30, 2000 was $10,600,000.

60. Aerosonic’s stock price closed at $10.50 per share on June 14, 2000, up by $0.125 from the day before.

61. On September 14, 2000, Aerosonic issued a press release announcing its financial results for the fiscal quarter ended July 31, 2000, reporting among other things:
Net sales increased by 13% to $12,116,000 from $10,755,000 in the prior year period. Gross profit remained consistent at $4,044,000 compared to $4,053,000 in the prior year period. Earnings before income tax increased by 13% to $352,000 from $310,000 in the prior year period. Net income was $211,000 compared with net income of $193,000 in the prior year period, representing an increase of 9%.

* * * * *

In making the announcement, J. Mervyn Nabors, the Company’s Chief Executive Officer, stated, “The Company continues to strengthen with sales growth, which is currently on track to be higher than any of the previous five years and a greatly improved cash flow from operations.”

62. That same day, Aerosonic filed with the SEC its Form 10-Q for the fiscal quarter ended July 31, 2000, which, among other things, repeated the financial results that were announced in the Company’s September 14, 2000 press release and stated that inventory as of July 31, 2000 was $10,388,000.

63. Aerosonic’s stock price closed at $8.625 per share on September 14, 2000, up by $0.125 from the day before.

64. On December 16, 2000, Aerosonic issued a press release announcing its financial results for the fiscal quarter ended October 31, 2000, reporting among other things:

Aerosonic Corporation (Amex: AIM) announces year-to-date sales for fiscal year 2001 continue to outpace the previous period with a 5% increase to $17,822,000 as compared to $16,992,000. Net sales for the third quarter, ended October 31, 2000, decreased by 9% to $5,706,000 as compared to $6,237,000 for the same period in the preceding year. Gross profit as a percentage of net sales equaled 36% in the third quarter of both fiscal year 2001 and fiscal year 2000. The decrease in sales is primarily due to delays in shipments of the multi-function probe into late fourth quarter of fiscal year 2001 and early first quarter of fiscal year 2002. The impact of the delays were offset by increased sales of altimeters and airspeed indicators. The strong sales in the mechanical instruments along with increased efficiencies in the manufacturing
process of these instruments have helped maintain the gross profit
margin. Net loss was $193,000, or $0.05 per share compared with
net income of $68,000 or $0.02 per share in the prior year period.

In making the announcement, J. Mervyn Nabors, the Company’s
Chief Executive Officer, stated “The foundation of Aerosonic was
strengthened through numerous long term contracts signed during
the third quarter. Despite the delays in shipments on certain
contracts combined with the absorption of certain one-time general
and administrative expenses, primarily additional legal expenses,
the Company continues to fundamentally improve. Year-to-date
sales have outpaced our previous fiscal year and cash flow from
operations through better balance sheet management has continued
to strengthen the Company.”

65. That same day, Aerosonic filed with the SEC its Form 10-Q for the fiscal quarter
ended October 31, 2000, which, among other things, repeated the financial results that were
announced in the Company’s December 16, 2000 press release and stated that inventory as of
October 31, 2000 was $10,241,000.

66. Aerosonic’s stock price closed at $10.50 per share on December 18, 2000,
maintaining the closing price from its last close on December 15, 2000.

results for the fiscal year ended January 31, 2001, reporting among other things:

Revenues for the full year ended January 31, 2001 were
$24,672,000, an increase of $1,401,000, or 6%, over revenues of

Net income for the full fiscal year ended January 31, 2001 was
$456,000, or $0.12 per common share, an increase of $196,000, or
75% over net income of $260,000, or $0.07 per common share, for
the fiscal year ended January 31, 2000.
“It is with great pride that I report our operating results for the fourth quarter and full year ended January 31, 2001,” said J. Mervyn Nabors, the Company's Chief Executive Officer. “The significant efforts made by management and each of the employees of Aerosonic during the past few years can now begin to be seen in our operating results. Our commitment to building and delivering quality products and services has provided a foundation for new customer relationships and opportunities, as well as expanded relationships with existing customers. This is evident in the increase in our sales order backlog as of January 31, 2001, and an increased interest by our customers in expanding our business with them. I believe that Aerosonic is well-positioned to capitalize on the opportunities in our marketplace.”

68. Aerosonic's stock price closed at $16.70 per share on April 10, 2001, maintaining its closing price from the day before, as positive news had already been anticipated by the market.

69. On April 30, 2001, Aerosonic filed its Form 10-K for the fiscal year ended January 31, 2001, which among other things repeated the financial results announced in the Company's press release issued April 10, 2001 and stated that inventory as of January 31, 2001 was $9,949,000. Footnote 1 accompanying Aerosonic’s financial statements stated, among other things, that (emphasis added): “Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out method. Provisions are made for any inventory deemed excess or obsolete.” Footnote 1 also stated that:

Revenue Recognition

The Company generally recognizes revenue from sales of its products when the following have occurred: evidence of a sale arrangement exists; delivery has occurred or services have been rendered; our price to the buyer is fixed or determinable; and collectibility is reasonable assured.
In addition, Footnote 12 reported, among other things, quarterly data for the fiscal year ended January 31, 2001:

<table>
<thead>
<tr>
<th></th>
<th>April 30</th>
<th>July 31</th>
<th>October 31</th>
<th>January 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Sales</td>
<td>$6,484,000</td>
<td>$5,632,000</td>
<td>$5,706,000</td>
<td>$6,850,000</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>91,000</td>
<td>120,000</td>
<td>(193,000)</td>
<td>438,000</td>
</tr>
<tr>
<td>Earnings (loss) per share (EPS)-basic</td>
<td>0.02</td>
<td>0.03</td>
<td>(0.05)</td>
<td>0</td>
</tr>
<tr>
<td>Earnings (loss) per share (EPS)-diluted</td>
<td>0.02</td>
<td>0.03</td>
<td>(0.05)</td>
<td>0</td>
</tr>
</tbody>
</table>

70. On May 31, 2001, Aerosonic issued a press release announcing its financial results for the fiscal quarter ended April 30, 2001, reporting among other things:

Net income was $179,966 or $0.05 per share, compared with net income of $91,000 or $0.02 per share, representing an increase of 98%. Revenues for the first quarter increased by 6% to 6,522,000, as compared with $6,484,000 in the first quarter of last year.

In making the announcement, J. Mervyn Nabors, the Company’s Chief Executive Officer, stated. “We are now beginning to reap the benefits of programs that we’ve been working on over the last few years. Our continued focus on streamlining operations and targeting sales of our higher-margin products have translated into continued strong sales and improved earnings over the prior year period.”

71. That same day, Aerosonic filed with the SEC its Form 10-Q for the fiscal quarter ended April 30, 2001, which, among other things, repeated the financial results that were announced in the Company’s May 31, 2001 press release and stated that inventory as of April 30, 2001 was $9,890,000.

72. On June 1, 2001, Aerosonic filed with the SEC its Notice of Annual Meeting of Shareholders and Proxy Statement (the “Definitive Proxy Statement”) for the annual meeting of its shareholders to be held on July 20, 2001. That Definitive Proxy Statement reported, among other things, a “FIVE-YEAR CUMULATIVE TOTAL RETURN” on Aerosonic common stock.
as compared to the return on a similar investment based on the "Amex Market Value Index" and the "SIC Code Index". Specifically, that Definitive Proxy Statement reported that a $100 investment in the Company's stock on January 31, 1996 would have yielded an $841.74 investment as of January 31, 2001.

73. Aerosonic's June 1, 2001 Definitive Proxy Statement was authorized by its Board of Directors and signed by Chairman Nabors on behalf of the Board.

74. On August 27, 2001, Aerosonic issued a press release announcing its financial results for the fiscal quarter ended July 31, 2001, reporting among other things:

Revenues for the second quarter and year-to-date increased by 32% to $7,431,000 and 15% to $13,953,000 as compared with $5,632,000 and $12,116,000 in the second quarter and year-to-date, respectively, of last year. Gross profit for the quarter increased to $2,863,000, or 39% of net sales, versus $1,954,000 or 35% of net sales during the prior year period. For the six months ended July 31, 2001, gross profit increased to $5,181,000, or 37% of net sales, versus $4,044,000, or 33% of net sales in the prior year period. Net income was $376,000 or $0.10 per share, during the second quarter ended July 31, 2001, compared with net income of $120,000 or $0.03 per share, representing an increase of 233%. For the six months ended July 31, 2001, net income increased by 164% to $556,000, or $0.14 per share, from $211,000, or $0.05 per share during the prior year period.

* * *

Additionally, the Company announced today that it has been awarded several substantial contracts over the last 60 days worth $3.8 million including a multi-year contract from Boeing. This agreement is one of several major long-term agreements secured recently by Aerosonic. Raytheon, Piper, and the U.S. Military are among the list of customers that have awarded Aerosonic these latest contracts. "These long term commitments are the foundation of our plan to maintain stability in our standard products. Production stability is imperative to our goal of improving margins while funding research and development of new products," stated Eric McCracken, Chief Financial Officer.
On September 14, 2001, Aerosonic filed with the SEC its Form 10-Q for the fiscal quarter ended July 31, 2001, which, among other things, repeated the financial results that were announced in the Company’s August 27, 2001 press release and stated that inventory as of July 31, 2001 was $9,959,000.

On December 3, 2001, Aerosonic issued a press release announcing its financial results for the fiscal quarter ended October 31, 2001, reporting among other things:

Revenues for the third quarter and year-to-date increased by 23% to $6,994,000 and 18% to $20,947,000 as compared with $5,706,000 and $17,822,000 in the third quarter and year-to-date, respectively, of last year. Net income was $204,000 or $0.05 per share, during the third quarter ended October 31, 2001, compared with a net loss of $193,000, or ($0.05) per share. For the nine months ended October 31, 2001, net income increased to $761,000, or $0.19 per share, from $18,000, or $0.00 per share during the prior year period.

"We are pleased that the Company continues to report increased sales and earnings from a year ago in spite of the disaster of September 11, 2001," stated J. Mervyn Nabors, Chairman, CEO and President of Aerosonic Corporation. "The company has been able to remain on a steady growth path. During the third quarter, the operations at the Clearwater Instrument Division, Precision Components Division and Aerosonic, Wichita Division reflected these increases. Avionics Specialties, the Company's wholly owned subsidiary located in Charlottesville, VA, reported flat results as they continue the ramp up of several programs including the F-16 Block 60, engine monitoring and angle of attack systems. Additionally, the Company continues to work on obtaining several specific large programs, a number of which are classified," stated Nabors.

On December 17, 2001, Aerosonic filed with the SEC its Form 10-Q for the fiscal quarter ended October 31, 2001, which, among other things, repeated the financial results that
were announced in the Company's December 3, 2001 press release and stated that inventory as of October 31, 2001 was $10,021,000.

78. On April 1, 2002, Aerosonic issued a press release announcing its financial results for the fiscal fourth quarter and fiscal year ended January 31, 2002, reporting among other things:

Aerosonic Corporation (Amex: AIM) announced today its earnings for the fiscal year and fourth quarter ended January 31, 2002. Revenues for the twelve months ended January 31, 2002 were $27,424,000, an increase of $2,752,000, or 11%, over revenues of $24,672,000 for the year ended January 31, 2001.

Net income for the twelve months ended January 31, 2002 was $1,040,000, or $0.27 per common share, an increase of $584,000, or 128%, over net income of $456,000, or $0.12 per common share, for the fiscal year ended January 31, 2001.

Commenting on results for the year, J. Mervyn Nabors, the Company's chief executive officer, stated "Our consistent performance throughout the year resulted in a marked improvement from the prior year in both sales and earnings growth. I am proud to report that with the combined efforts of all of our employees we made great strides in increasing our core instrument production as well as repair business last year. Precision Components also substantially increased its volume over the prior year due to customer mandated increased deliveries."

79. On May 1, 2002, Aerosonic filed its Form 10-K for the fiscal year ended January 31, 2002, which among other things repeated the financial results announced in the Company’s press release issued April 1, 2002 and stated that inventory as of January 31, 2002 was $10,948,000. Footnote 1 accompanying Aerosonic’s financial statements stated, among other things, that (emphasis added): “Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out method. Provisions are made for any inventory deemed excess or obsolete.” Footnote 1 also stated among other things that:

Revenue Recognition
The Company generally recognizes revenue from sales of its products when the following have occurred: evidence of a sale arrangement exists; delivery has occurred or services have been rendered; our price to the buyer is fixed or determinable; and collectibility is reasonable assured.

In addition, Footnote 11 reported, among other things, quarterly data for the fiscal years ended January 31, 2002 and January 31, 2001:

<table>
<thead>
<tr>
<th></th>
<th>April 30</th>
<th>July 31</th>
<th>October 31</th>
<th>January 31</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2002</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>$6,484,000</td>
<td>$5,632,000</td>
<td>$5,706,000</td>
<td>$6,850,000</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>91,000</td>
<td>120,000</td>
<td>(193,000)</td>
<td>438,000</td>
</tr>
<tr>
<td>Earnings (loss) per share (EPS)-basic</td>
<td>0.05</td>
<td>0.10</td>
<td>0.05</td>
<td>0.07</td>
</tr>
<tr>
<td>Earnings (loss) per share (EPS)-diluted</td>
<td>0.05</td>
<td>0.10</td>
<td>0.05</td>
<td>0.07</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>April 30</th>
<th>July 31</th>
<th>October 31</th>
<th>January 31</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2001</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>$6,484,000</td>
<td>$5,632,000</td>
<td>$5,706,000</td>
<td>$6,850,000</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>91,000</td>
<td>120,000</td>
<td>(193,000)</td>
<td>438,000</td>
</tr>
<tr>
<td>Earnings (loss) per share (EPS)-basic</td>
<td>0.02</td>
<td>0.03</td>
<td>(0.05)</td>
<td>0.12</td>
</tr>
<tr>
<td>Earnings (loss) per share (EPS)-diluted</td>
<td>0.02</td>
<td>0.03</td>
<td>(0.05)</td>
<td>0.12</td>
</tr>
</tbody>
</table>

80. On May 16, 2002, Aerosonic common stock reached an all-time high when it traded at $29.50 per share, culminating a stock price climb fueled by the positive pronouncements and disclosures of the Company over the preceding year.

81. On May 31, 2002, Aerosonic filed with the SEC its Definitive Proxy Statement for the annual meeting of its shareholders to be held on July 19, 2002. That Definitive Proxy Statement reported, among other things, a “FIVE-YEAR CUMULATIVE TOTAL RETURN” on Aerosonic common stock as compared to the return on a similar investment based on the “Amex Market Value Index” and the “SIC Code Index”. Specifically, that Definitive Proxy Statement reported that a $100 investment in the Company’s stock on January 31, 1997 would have yielded a. $656.05 investment as of January 31, 2002.

82. Aerosonic’s May 31, 2002 Definitive Proxy Statement was authorized by its Board of Directors and signed by Chairman Nabors on behalf of the Board.
83. On June 14, 2002, Aerosonic filed its Form 10-Q for the fiscal quarter ended April 30, 2002, which among other things reported the following financial results:

<table>
<thead>
<tr>
<th></th>
<th>Quarter ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April 30, 2002</td>
</tr>
<tr>
<td>Net Sales</td>
<td>$6,187,000</td>
</tr>
<tr>
<td>Net income (loss)</td>
<td>167,000</td>
</tr>
<tr>
<td>Earnings (loss) per share (EPS)-basic</td>
<td>0.04</td>
</tr>
<tr>
<td>Earnings (loss) per share (EPS)-diluted</td>
<td>0.04</td>
</tr>
</tbody>
</table>

That Form 10-Q also reported that inventory as of April 30, 2002 was $11,173,000.

84. Aerosonic's stock price closed at $26.25 per share on June 14, 2002, maintaining its closing price from the day before.

85. On September 16, 2002, Aerosonic issued a press release reporting its financial results for the three and six month period ended July 31, 2002, reporting among other things:

Revenues for the second quarter and year-to-date equaled $5,948,000 and $12,135,000, respectively, as compared with $7,431,000 and $13,953,000 in the second quarter and year-to-date, respectively, of last year. Sales decrease was partly attributed to a large sale to a long-standing OEM customer in the second quarter ended July 31, 2001 and partly to a reduction of certain traditional product lines. Production capacity was reallocated to new upcoming contracts and programs during the quarter.

* * *

Net income was $126,000, or $0.03 per share, during the second quarter ended July 31, 2002, compared with net income of $376,000, or $0.10 per share, during the prior year period. For the six months ended July 31, 2002, net income was $293,000, or $0.07 per share, compared to $556,000, or $0.14 per share, during the prior year period.

Management will continue to shift production capacity away from low margin instrument sales in order to allocate resources for new programs and contracts, such as the 32/A program, Joint Strike Fighter program, and others. Management expects this increased activity to continue in these lucrative programs for the foreseeable future.
86. On September 16, 2002, Aerosonic filed with the SEC its Form 10-Q for the fiscal quarter ended July 31, 2002, which, among other things, repeated the financial results that were announced in the Company's September 16, 2002 press release and stated that inventory as of July 31, 2002 was $11,396,000.

87. Aerosonic's September 16, 2002 Form 10-Q was signed by the Company's CFO, McCracken. In addition, and as part of Aerosonic's September 16, 2002 Form 10-Q, McCracken made the following written statement:

I, Eric J. McCracken, Executive Vice President and Chief Financial Officer of Aerosonic Corporation certify that:

1. I have reviewed this quarterly report on Form 10-Q of Aerosonic Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
b) evaluated the effectiveness of the registrant’s disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the “Evaluation Date”); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant’s ability to record, process, summarize and report financial data and have identified for the registrant’s auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls; and

6. The registrant’s other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: September 16, 2002

By: /S/ ERIC J. MCCRACKEN
Eric J. McCracken, Executive Vice President and Chief Financial Officer
(Principal Financial Officer of registrant)

88. As part of Aerosonic’s September 16, 2002 Form 10-Q, Nabors made the following written statement:
I, J. Mervyn Nabors, Chief Executive Officer of Aerosonic Corporation certify that:

1. I have reviewed this quarterly report on Form 10-Q of Aerosonic Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant’s disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the “Evaluation Date”); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):
a) all significant deficiencies in the design or
operation of internal controls which could adversely
affect the registrant’s ability to record, process,
summarize and report financial data and have
identified for the registrant’s auditors any material
weaknesses in internal controls; and

b) any fraud, whether or not material, that involves
management or other employees who have a
significant role in the registrant’s internal controls; and

6. The registrant’s other certifying officers and I have indicated in
this quarterly report whether or not there were significant changes
in internal controls or in other factors that could significantly affect
internal controls subsequent to the date of our most recent
evaluation, including any corrective actions with regard to
significant deficiencies and material weaknesses.

Dated: September 16, 2002

By: /S/ J. MERVYN NABORS
J. Mervyn Nabors
Chief Executive Officer

89. In Exhibit 99.2 of Aerosonic’s September 16, 2002 Form 10-Q, McCracken made
the following public statement:

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Aerosonic
Corporation (the “Company”) on Form 10-Q for the period ending
July 31, 2002 as filed with the Securities and Exchange
Commission on the date hereof (the “Report”), I, Eric J.
McCracken, Executive Vice President and Chief Financial Officer
of the Company, certify, pursuant to 18 U.S.C. Section 1350 that:

(1) The report fully complies with the requirements of section
13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 16, 2002

By: /S/ ERIC J. MCCCRACKEN
Eric J. McCracken, Executive Vice President and Chief Financial Officer (Principal Financial Officer of registrant)

90. In Exhibit 99.1 of Aerosonic's September 16, 2002 Form 10-Q, Nabors made the following public statement:

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Aerosonic Corporation (the "Company") on Form 10-Q for the period ending July 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), J. Mervyn Nabors, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350 that:

(1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: September 16, 2002

By: /S/ J. MERVYN NABORS
J. Mervyn Nabors
Chief Executive Officer

91. On December 4, 2002, the Company issued a press release announcing that Nabors had been replaced as Aerosonic’s President, and stating, in pertinent part, that:

Aerosonic Corporation announced today the promotion of David Baldini to the position of President. J. Mervyn Nabors will remain in an active role as Chairman of the Board. Mr. Baldini has served as President of the company’s Charlottesville, Va. Division, Avionics Specialties Incorporated for the past nine years. “This change represents one of the first steps in distributing broader responsibilities throughout the management team. Today’s marketplace is more demanding and sophisticated than ever before.
A diversified cohesive team will help us achieve our goals and maintain stability," stated Nabors.

92. On December 16, 2002, Aerosonic filed with the SEC a Form 8-K advising the SEC and the investing public, which repeated the announcement in its December 4, 2002 press release, that Baldini was replacing Nabors as Aerosonic’s President. That Form 8-K was signed by Nabors under his title as the Company’s CEO.

93. On December 16, 2002, Aerosonic issued a press release announcing its financial results for the fiscal quarter ended October 31, 2002, reporting among other things:

Revenues for the third quarter and year-to-date equaled $7,005,000 and $19,140,000, respectively, as compared with $6,994,000 and $20,947,000 in the third quarter and year-to-date, respectively, of last year.

*   *   *

Net income was $608,000 or $0.16 per share, during the third quarter ended October 31, 2002, compared to net income of $204,000 or $0.05 per share during the prior year period. For the nine months ended October 31, 2002, net income was $901,000, or $0.23 per share, compared to $761,000, or $0.19 per share during the prior year period. The increase in net income was assisted by a R&D tax refund and a legal settlement in the David S. Goldman case.

Shipments for the first phase of the U.S. Army contract for AAU/32A altimeters will begin in the fourth quarter of fiscal year 2003. In addition the U.S. Army has already exercised the first option on this contract, which allows for continuous production throughout fiscal year 2004. Accelerated deliveries are acceptable under the terms of this contract unlike commercial deliveries that fluctuate with aircraft build schedules. Management intends to take advantage of this flexibility to implement mass production efficiencies to increase margins.

94. On December 16, 2002, Aerosonic filed its Form 10-Q for the fiscal quarter ended October 31, 2002, which among other things repeated the financial results that were announced
in the Company’s December 16, 2002 press release and that inventory as of December 16, 2002 was $11,834,000. That Form 10-Q was signed by the Company’s Controller, Michael Reed.

95. As part of Aerosonic’s December 16, 2002 Form 10-Q, Reed made the following written statement:

1, Michael T. Reed, Principal Accountant and Controller of Aerosonic Corporation certify that:

1. I have reviewed this quarterly report on Form 10-Q of Aerosonic Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant’s disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the “Evaluation Date”); and
c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant’s ability to record, process, summarize and report financial data and have identified for the registrant’s auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls; and

6. The registrant’s other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: December 16, 2002 By: /S/ MICHAEL T. REED
Michael T. Reed, Principal Accountant and Controller
(Principal Financial Officer of registrant)

96. As part of Aerosonic’s December 16, 2002 Form 10-Q, Nabors made the following written statement:

I, J. Mervyn Nabors, Chief Executive Officer of Aerosonic Corporation certify that:

1. I have reviewed this quarterly report on Form 10-Q of Aerosonic Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant’s other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant’s disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the “Evaluation Date”); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant’s other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant’s ability to record, process, summarize and report financial data and have
identified for the registrant’s auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls; and

6. The registrant’s other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: December 16, 2002

By: /S/ J. MERVYN NABORS
J. Mervyn Nabors
Chief Executive Officer

97. In Exhibit 99.2 of Aerosonic’s December 16, 2002 Form 10-Q, Reed made the following public statement:

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Aerosonic Corporation (the “Company”) on Form 10-Q for the period ending October 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael T. Reed, Principal Accountant and Controller of the Company, certify, pursuant to 18 U.S.C. Section 1350 that:

(1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: December 16, 2002

By: /S/ MICHAEL T. REED
Michael T. Reed, Principal Accountant and Controller
(Principal Financial Officer of registrant)
98. In Exhibit 99.1 of Aerosonic's December 16, 2002 Form 10-Q, Nabors made the following public statement:

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Aerosonic Corporation (the "Company") on Form 10-Q for the period ending October 31, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, J. Mervyn Nabors, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350 that:

(1) The report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: December 16, 2002
By: /S/ J. MERVYN NABORS
J. Mervyn Nabors
Chief Executive Officer

99. In Item 6 (Exhibits and Reports on Form 8-K) of Aerosonic's December 16, 2002 Form 10-Q, the Company reiterated the contents of its December 16, 2002 Form 8-K regarding the Company replacing Nabors with Baldini as President of Aerosonic, by stating that:

Aerosonic Corporation announced (December 4, 2002) today the promotion of David Baldini to the position of President. J. Mervyn Nabors will remain in an active role as Chairman of the Board.

100. However, Item 6 of Aerosonic's December 16, 2002 Form 10-Q also made the following disclosure:

Aerosonic has announced the resignations of two board members. The Chief Financial Officer, Eric McCracken has decided to pursue a personal business opportunity. Dan Garwacki has also resigned from his position on the board. Dan’s resignation is in response to Aersonics complying [sic] with the Sarbanes-Oxley Act of 2002.
Aerosonic is currently performing an executive search to replace Mr. McCracken.

101. The Sarbanes-Oxley Act of 2002, 107 P.L. 204, 116 Stat. 745, provides for, among other things, heightened responsibility and potential liability for audit committee members in regard to ensuring that the company's SEC filings are accurate and truthful.

102. Notwithstanding the Company's statement that the information regarding Messrs. McCracken and Garwacki had already been disclosed, the Company had not previously issued a press release or publicly filed another document with the SEC disclosing the fact that CFO McCracken and outside Director Garwacki had resigned from the Company's Board, the circumstances surrounding their departures, or the fact that McCracken had resigned as the Company's CFO and Executive Vice President.

103. Aerosonic's stock price closed at $19.51 per share on December 16, 2002, down $0.08 from the closing price from the day before.

104. On January 21, 2003, Aerosonic issued a press release announcing that Gary E. Colbert had been hired as the Company's new CFO. That press release made no mention of the fate of Aerosonic's prior CFO, Eric McCracken, but instead simply touted Colbert's financial experience and that his addition would immediately strengthen Aerosonic's management team:

Mr. Colbert brings extensive domestic and international corporate finance and operational experience to Aerosonic, having held financial positions of increasing responsibility throughout his 23-year career with PPG Industries, Inc., United Technologies Corporation, and Wellcraft Marine. His prior experiences have included roles as a divisional Chief Financial Officer as well as Vice President, Finance and Administration. Mr. Colbert received his MBA in Finance and Marketing from Washington University and his undergraduate degree in Finance and Accounting. He is also a Certified Management Accountant.
“Gary is a key addition to our management team. His experience in a manufacturing environment and public company finance will allow him to be immediately effective and further strengthens the management group as we position the company for future growth,” stated David Baldini, President.


106. On January 23, 2003, Aerosonic filed with the SEC a Form 8-K advising the SEC and the investing public of the Company’s January 21, 2003 press release that announced the hiring of Gary E. Colbert as the Company’s new CFO.

107. On February 12, 2003, Aerosonic issued a press release announcing that it had hired an investor relations firm, Lagano & Associates to be “its strategic communications advisor to deliver superior performance in capital attraction, company positioning and investor awareness.”

108. On March 13, 2003, Aerosonic’s stock closed at $15.01 per share.

Revelations of the Truth Begin

109. On March 17, 2003 -- Aerosonic surprised the investment community. In a press release that day, the Company announced that it had overstated revenue and inventory by at least $3 million over the past three years and that its investigation into those misstatements could uncover additional improprieties. Specifically, the Company reported, in pertinent part, that:

Aerosonic Corporation (Amex: AIM) (the “Company”) has discovered what appear to be certain discrepancies which pertain to previously reported financial information concerning inventory accounting and revenue recognition. These discrepancies have resulted in a possible overstatement of revenue for the fiscal year ended January 31, 2001 in the approximate amount of $800,000, an apparent overstatement of inventory for the fiscal year ended January 31, 2002 in the approximate amount of not less than $1,900,000 and an apparent overstatement of inventory of the first two quarters of fiscal year ended January 31, 2003 in the approximate amount of $300,000.
These findings are preliminary and are subject to further refinement and audit, as the Company is continuing to review these and other matters. Management of the Company discovered these matters, has disclosed them to the Company's outside auditors, PricewaterhouseCoopers, and has requested that PricewaterhouseCoopers review these matters with the Company to determine what actions may be appropriate. During such review, there may be other matters which come to the Company's attention and may require adjustment, both for the time periods identified above, as well as other periods.

110. Upon these startling and disturbing disclosures, the Company's stock price plummeted that same day to close at $12.40 per share, or a 17.4% one-day drop from the last close. As the news reached more Aerosonic investors, the following day, March 18, 2003, Aerosonic's stock dropped again to close at $10.10 per share, thus representing a staggering two-day loss of 32.7% in the stock's value.

111. According to a March 18, 2003 article in the Tampa Tribune, in referencing Eric McCracken's resignation as Aerosonic's CFO in or about December 2002, Nabors was reported as claiming that "he didn't know whether McCracken's departure was related to the accounting mistakes."

112. As a follow-up to the Company's March 17, 2003 announcements, the St. Petersburg Tribune reported in a March 18, 2003 article, in pertinent part, as follows:

[Aerosonic] gave no explanation for the discrepancies. It emphasized that the findings are preliminary and subject to review by its auditors, PricewaterhouseCoopers.

J. Mervyn Nabors, Aerosonic's chairman, said the company's accounting department discovered the irregularities and immediately reported them, as required under laws passed in the wake of multi-billion-dollar financial scandals at Enron and WorldCom.
"We contacted our CPAs and our attorneys, and we’re going through it now to see what it means,” Nabors said. “But the company is doing just fine, it’s rolling along, and I don’t see this putting our contracts in jeopardy or anything.”

113. On March 28, 2003, Aerosonic issued a press release announcing the addition of David M. Vosen to the Company’s Board of Directors, replacing outside Director and Audit Committee member Todd Beard, who had recently resigned. That press release reported that “[t]he company anticipates that there will be additional independent board members announced in the near future.... A strengthened Board of Directors will be a key element of our future plans.”

In addition, the press release described Vosen’s professional credentials as follows:

Mr. Vosen is President of Southtrust Bank, Tampa, Florida. Vosen brings over 30 years of financial experience to the company’s board and will also serve on the audit committee. He is a graduate of the University of Wisconsin where he studied Finance and Economics. He has held positions of increasing responsibility since 1969 with Marshall & Ilsley, Wachovia Bank, Bank of America, SunTrust Banks and Southtrust Bank.

114. On April 14, 2003, Aerosonic issued a press release announcing the addition of Charles M. Foster, Jr. to the Company’s Board of Directors and the Company’s audit committee, stating, in pertinent part, that:

“The addition of Mr. Foster to our Board of Directors is further evidence of our commitment to building a strong independent Board that will play an increasing role in our progress in the months and years to come. His long career with Teledyne, an aerospace company, and his extensive accounting background, should make him a valuable addition to the board,” stated David Baldini, President and CEO.

Foster brings a wealth of experience in accounting to the board. After 34 years, he retired in 2002 from Teledyne Technologies in Lewisburg, Tennessee. Mr. Foster held positions of increasing responsibility including Director of Finance; Vice President, Finance; and Senior Director.
115. On May 2, 2003, Aerosonic filed with the SEC a Form 12b-25 (a/k/a Form NT 10-K) to advise the SEC and the investing public that it would not be able to timely file its Form 10-K for the fiscal year ended January 31, 2003, reporting, in pertinent part, that:

On March 17, 2003, the Registrant [Aerosonic] announced that it had discovered apparent discrepancies relating to previously reported financial information for the Registrant’s fiscal years ended January 31, 2001 and 2002 and its first two fiscal quarters for the fiscal year ended January 31, 2003. The Registrant further announced that it was continuing to review those and other matters which may require adjustment, both for the time periods identified above, as well as other periods. The Registrant is working with its independent auditors, outside counsel and others to examine these matters. While the Registrant is seeking to resolve this examination as promptly as possible, the extensive research, review, analysis and related work required to quantify and correct errors in the above referenced financial information and any other matters that may come to the Registrant’s attention has extended the duration of the Registrant’s audit and the preparation of its financial statements for the fiscal year ended January 31, 2003. Accordingly, the Registrant will not file its annual report on Form 10-K (which was due on May 1, 2003) at this time. The Registrant intends to file such annual report as soon as reasonably practicable.


Aerosonic Corporation (AMEX: AIM) today announced that it has substantially completed its review of the discrepancies in its previously reported financial information concerning inventory accounting and revenue recognition and the resulting overstatements of its inventory and revenue for its fiscal years ended January 31, 2001 and 2002 and the first three quarters of its fiscal year ended January 31, 2003. The extensive research, review and analysis required to quantify and correct the overstatements have delayed the Company’s preparation of its annual report on Form 10–K for its fiscal year ended January 31, 2003, that was required to be filed with the Securities and Exchange Commission by May 1, 2003.

The Company is continuing to work toward resolving the issues in its previously reported financial statements. Although the
Company cannot determine how soon it will be able to complete and file its Form 10-K for the year ended January 31, 2003, it hopes to do so as soon as practicable.

On March 17, 2003, Aerosonic announced its preliminary findings and its continuing review of these matters, explaining that they were subject to further refinement and audit. The Company then undertook to examine, evaluate and quantify the nature and extent of the accounting issues disclosed in the March 17 press release.

In confirming the previously announced overstatement of revenue of approximately $0.8 million and overstatement of inventory of approximately $2.2 million, the Company also has thus far identified approximately $3.2 million of additional changes that should be made to its financial statements. The largest of the additional changes is the establishment of a $2.5 million reserve for specifically identified obsolete and slow moving inventory.

These adjustments are the result of misstatements and misrepresentation in the Company's financial statements, falsification of certain inventory records, adjustments for obsolete and slow moving inventory, improper revenue recognition, questionable fixed asset capitalization, and disbursement and compensation issues.

Last week, the Audit Committee of the Company's Board of Directors, comprised of independent directors, completed its independent review of these matters and reported its conclusions and recommendations to the Board. The Company has been and continues to be in communication with its independent auditor, the SEC and the American Stock Exchange.

The Company's President and Chief Executive Officer, David A. Baldini, stated that "the Board and other members of current management have a strong and unwavering commitment to producing accurate and reliable financial information and have established new policies and procedures to enhance internal controls and financial reporting."

117. The Company's May 22, 2003 press release announced that Chairman Nabors had resigned from the Aerosonic Board. Moreover, the Company admitted, contrary to its December 4, 2002 press release and December 16, 2002 Form 8-K that "Nabors will remain in an active
role as Chairman of the Board”, that Baldini had essentially been serving as Chairman since November 2002 (emphasis added):

While the Board was considering the recommendations of its Audit Committee, J. Mervyn Nabors, the Company’s Chairman of the Board, announced to the Board that he was resigning as Chairman. Although Mr. Nabors will have no further involvement in day-to-day activities of the Company, he will be available as a consultant to respond to requests by the Company’s President, for a one-year period, and it is expected that he will remain as a director through his current term. Notwithstanding Mr. Nabors’ title as Chairman of the Board, Mr. Baldini, who became President of the Company in November 2002, has presided over all meetings of the Board since that time.

118. On May 22, 2003, Aerosonic filed with the SEC a Form 8-K advising the SEC and the investing public of its May 22, 2003 press release “disclosing (a) certain information regarding its review of discrepancies in previously reported financial information, (b) anticipated revenue for the fiscal quarter ended April 30, 2003, and (c) certain other matters.”

119. On May 23, 2003, the Tampa Tribune reported, in pertinent part, the circumstances surrounding Nabors resignation as the Company’s Chairman:

J. Mervyn Nabors, chairman of aircraft instrument manufacturer Aerosonic Corp., resigned last week amid a probe of company accounting practices, the company said Thursday. The company announced it has discovered misstatements and falsifications of records during the past three years. Aerosonic spokeswoman Pam Lagano said it is a coincidence that Nabors resigned while the company corrects errors in its past financial statements. Nabors was not asked to resign by the company’s board of directors, Lagano said, and he remains a member of the company’s board.

Aerosonic did not immediately name a new chairman; company President and Chief Executive Officer David Baldini, who succeeded Nabors as CEO in November, is in charge of day-to-day operations.
120. The May 23, 2003 *Tampa Tribune* article elicited an immediate response from the Company, when on that same day, Aerosonic issued a press release in an attempt to quickly distance itself from the reported statements of its own spokesperson. That press release stated, in pertinent part, that Aerosonic was “correct[ing] the statements attributed to the Company in an article in the May 23, 2003 edition of *The Tampa Tribune* concerning the circumstances surrounding the resignation of J. Mervyn Nabors as Chairman of the Board. The Company confirmed that the circumstances surrounding Mr. Nabor’s resignation were as stated in the Company’s May 22, 2003 press release.”

121. On June 3, 2003, Aerosonic issued a press release stating, in pertinent part, that:

Aerosonic Corporation (AMEX: AIM) today announced that it has received from the Securities and Exchange Commission notice of a formal order of a non-public investigation in connection with the accounting issues that the Company reported in its press releases of March 17 and May 22, 2003. The Company is cooperating with the SEC as well as the American Stock Exchange regarding these matters and is continuing to work with its independent auditors to complete its Form 10-K for the year ended January 31, 2003, as soon as practicable.

123. On June 16, 2003, Aerosonic filed with the SEC a Form 12b-25 (a/k/a Form NT 10-Q) to advise the SEC and the investing public that:

On March 17, 2003, the Registrant announced that it had discovered apparent discrepancies relating to previously reported financial information for the Registrant’s fiscal years ended January 31, 2001 and 2002 and the first two quarters of its fiscal year ended January 31, 2003. The Registrant further announced that it was continuing to review those and other matters. On May 22, 2003, the Registrant announced that it had substantially completed its review of the discrepancies in its previously reported financial information concerning inventory accounting and revenue recognition and the resulting overstatements of its inventory and revenue for its fiscal years ended January 31, 2001 and 2002 and the first three quarters of its fiscal year ended January 31, 2003. As reported on May 22, 2003, in confirming the overstatement of revenue of approximately $0.8 million and overstatement of inventory of approximately $2.2 million announced on March 17, 2003, the Registrant also identified as of May 22, 2003, approximately $3.2 million of additional changes that should be made to its financial statements. Additionally, on June 3, 2003, the Registrant announced that it had received notice of a formal order of non-public investigation from the Securities and Exchange Commission in connection with the accounting issues reported by the Registrant in its March 17 and May 22, 2003 press releases. The Registrant is continuing to work toward resolving the issues in its previously reported financial statements.

As a result of the foregoing, the Registrant has been unable to complete and file its annual report on Form 10-K for its fiscal year ended January 31, 2003, which was required to be filed with the Securities and Exchange Commission by May 1, 2003, and the Registrant is unable to complete and file its quarterly report on Form 10-Q for the fiscal quarter ended April 30, 2003, which was required to be filed with the Securities and Exchange Commission by June 16, 2003, without unreasonable expense. The Registrant intends to file such annual report on Form 10-K and such quarterly report on Form 10-Q as soon as reasonably practicable.

124. On September 16, 2003, Aerosonic filed with the SEC a Form 12b-25 (a/k/a Form NT 10-Q) to advise the SEC and the investing public that, in sum, the Company is presently “unable to complete and file its annual report on Form 10-K for its fiscal year ended January 31,
2003, which was required to be filed with the SEC by May 1, 2003; and the Registrant is unable to complete and file its quarterly reports on Form 10-Q for the fiscal quarters ended (i) April 30, 2003, which was required to be filed with the SEC by June 16, 2003, and (ii) July 31, 2003, which was required to be filed with the SEC by September 15, 2003, without unreasonable expense.”

125. On September 25, 2003, Aerosonic announced that the AMEX has, as of that day, halted the public trading of the Company’s stock “due to the absence of available current financial information concerning the Company.”

126. On October 15, 2003, Aerosonic issued a press release to announce that it had agreed to accept a compliance plan with the AMEX. Under that agreement, the Company was to file with the SEC its past due Form 10-K for the year ended January 31, 2003, by October 31, 2003, and its past due Forms 10-Q for the quarters ending April 30 and July 31, 2003 by November 15, 2003. The Company further disclosed that “[t]he AMEX said that failure to regain compliance within the time frame specified in the compliance plan could result in the AMEX initiating delisting proceedings.”

127. On October 31, 2003, Aerosonic issued a press release to announce that it had filed with the SEC that day its long overdue Form 10-K for the fiscal year ended January 31, 2003. That Form 10-K reported, among other things, that (emphasis added):


* * *

As a result of the restatements set forth herein and in the attached financial statements and the underlying contributing factors
discussed herein, the financial information previously reported by the Company and included in reports on Form 10-K and Form 10-Q previously filed by the Company for the fiscal years ended January 31, 1999, 2000, 2001, and 2002, the quarters in such fiscal years, and the first three quarters of the fiscal year ended January 31, 2003 should not be relied upon and are superseded by the information in this Annual Report on Form 10-K.

The Form 10-K further reported that (emphasis added):

The Company has determined that its previously reported financial information overstated inventory, understated cost of sales, overstated revenue and incorrectly reported other items. Contributing to these misstatements, among other things, were misstatements of the Company’s financial statements, the falsification of inventory records, improper adjustments for obsolete and slow moving inventory, improper revenue recognition, improper fixed asset capitalization, and errors in the application of Staff Accounting Bulletin No. 101 (released by the United States Securities and Exchange Commission in December 1999) ("SAB 101") and generally accepted accounting principles.

The following summarizes the Company’s financial restatements:

<table>
<thead>
<tr>
<th></th>
<th>Year Ended 1/31/2002</th>
<th>Year Ended 1/31/2001</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Previously Reported</td>
<td>As Restated</td>
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<tr>
<td>Total Revenues</td>
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<tr>
<td>Cost of Sales</td>
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<td>($17,441,000)</td>
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<tr>
<td>Net Income (Loss)</td>
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<td>EPS</td>
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<td>----------------------</td>
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<td></td>
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<tr>
<td></td>
<td>Previously Reported</td>
<td>As Restated</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$23,271,000</td>
<td>$23,271,000</td>
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<tr>
<td>Cost of Sales</td>
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<tr>
<td>Net Income (Loss)</td>
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<td>EPS</td>
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<td>Inventories</td>
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<th>Quarter Ended 4/30/2002</th>
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<tr>
<td></td>
<td>Previously Reported</td>
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<tr>
<td>Total Revenues</td>
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<td>Net Income (Loss)</td>
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## Table: Quarter Ended 10/31/2002

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<td>Net Income (Loss)</td>
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<tr>
<td>EPS</td>
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<td>$0.11</td>
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128. Aerosonic's 2003 Form 10-K and its March 17, May 22 and October 31 press releases stand as admissions that the Company's publicly reported assets, revenues and earnings were materially overstated for the fiscal years ended January 31, 1999, 2000, 2001 and 2002 and the first three quarters of its fiscal year ended January 31, 2003. The Company has admitted that Aerosonic's publicly filed Forms 10-K and 10-Q for those periods false and should not be relied upon. Also, the Company has admitted that the misstatements and misrepresentations in the Company's financial statements violated GAAP and were the result of, at least in part, knowing and intentional misconduct on the part of Aerosonic and its employees and agents.

129. By contrast, the Company's "Code of Conduct" that is published on Aerosonic's home website (see http://aerosonic.com/conduct.htm) provided knowingly false assurances to investors that the Company and its employees had adhered to truthful and ethical conduct in conducting Aerosonic's business. That Code of Conduct provides, in pertinent part, as follows (emphasis added):
Aerosonic is a company based on shared values and common goals. That's why our Code of Conduct is so important. It provides us with a clear understanding of our core values: it's what we stand for, the rules we live by. The Code applies to every employee, every business transaction and to any business acting on our behalf.

Our Policy does not list every do and don't. We expect our directors and employees to use common sense, individual conscience and a commitment to 100% compliance with the law in applying the Policy to particular situations. Here are some examples:

* * * *

**ETHICAL BUSINESS CONDUCT**

We expect our directors and employees to act in an ethical manner. We do not attempt to control the private lives of our directors and employees. But we do expect our directors and employees to avoid acting in a way that could damage Aerosonic’s reputation.

* * *

We expect our employees and directors to be honest and truthful. During the course of their employment or service as a director of the Company, employees and directors may not steal, lie, falsify documents or prepare or issue any false or misleading reports. As an example, a false expense report would violate this policy.

* * *

All Aerosonic accounts, invoices, memoranda and other documents and records must be prepared and maintained with strict accuracy and completeness. All assets, liabilities, revenues and expenses must be recorded in the regular books of Aerosonic.
Defendants' False Financial Reporting

130. Defendants participated in issuing or approving the materially false and misleading statements concerning the Company's financial results, operations and condition, particularly with respect to the Company's falsely reported results for fiscal years ended January 31, 1999, 2000, 2001 and 2002, and for the fiscal quarters ended April 30, July 31 and October 31, 2002. The Company has admitted that its reported results for these periods were in material error and, at least in part, were intentionally misstated through falsification of records and other intentional and/or reckless acts.

131. The individual defendants directly or indirectly participated in, approved, or are responsible for the Company's materially false financial reporting because they either knew or recklessly disregarded that such reporting was materially inaccurate.

132. Moreover, Aerosonic's reported results for fiscal years ended January 31, 1999, 2000, 2001 and 2002, and for the fiscal quarters ended April 30, July 31 and October 31, 2002 were materially false and misleading when made because the Company's financial statements were not a fair presentation of its actual financial results and condition, and were presented in violation of GAAP and SEC rules.

133. In fact, the Company's most recent Form 10-K, for the fiscal year ended January 31, 2003, advised investors that even with the restatements made in that Form 10-K, Aerosonic "is unable to determine the full extent of adjustments that would be necessary to a fair presentation of the restated financial information included [in the Form 10-K] for 1999 and 2000" due to "the unavailability of certain accounting records for periods predating 2001".
134. GAAP are those principles recognized by the accounting profession as the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. SEC Regulation S-X (17 C.F.R. § 210.4-01(a)(1)) states that financial statements filed with the SEC which are not prepared in compliance with GAAP are presumed to be misleading and inaccurate, despite footnote or other disclosure. Regulation S-X requires that interim financial statements must also comply with GAAP, with certain exceptions including that interim financial statements need not include disclosure which would be duplicative of disclosures accompanying annual financial statements. 17 C.F.R. § 210.10-01(a).

135. The fact that the Company has already restated its financial statements, and is continuing to do so, is an admission that the financial statements originally issued were false, and that the overstatement of revenues and income was material. Pursuant to GAAP, as set forth in Accounting Principles Board Opinion ("APB") 20, the type of restatement announced by Aerosonic was to correct for material errors in its previously issued financial statements. APB 20, ¶ 7-13. The restatement of past financial statements is a disfavored method of recognizing an accounting change as it dilutes confidence by investors in the financial statements, it makes it difficult to compare financial statements, and it is often difficult, if not impossible, to generate the numbers when restatement occurs. APB 20, ¶ 14. Thus, GAAP provides that financial statements should only be restated in limited circumstances, i.e., when there is a change in the reporting entity, when there is a change in accounting principles used, or to correct an error in previously issued financial statements. Aerosonic's restatements were not due to a change in the reporting entity or a change in accounting principles, but instead to errors in previously issued financial statements. Thus, the restatement is an admission by the Company that its previously
issued financial results and its public statements regarding those results, were materially false and misleading.

136. GAAP, as set forth in Financial Accounting Standards Board ("FASB") Statement of Concepts ("Concepts") No. 5, provides the basic requirements for revenue to be recognizable: (1) revenue must have been earned; and (2) revenue must be realizable (collectible). FASB Concept No. 5, ¶ 83. "If collectibility ... is doubtful, revenues and gains may be recognized on the basis of cash received." FASB Concept No. 5, ¶ 84g.

137. GAAP, as set forth in SEC Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements", provides additional clarification for the recognition of and disclosures for revenue recognition. Among other things, SAB 101 states that revenue is realized and earned when all of the following criteria are met: persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the seller's price to the buyer is fixed or determinable, and collectibility is reasonably assured.

138. GAAP, as set forth in Accounting Research Bulletin ("ARB") 43, provides that "for adequate financial accounting purposes that inventories be properly compiled periodically and recorded in the accounts." ARB 43 further provides, among other things, that (a) "a major objective of accounting for inventories is the proper determination of income through the process of matching appropriate costs against revenues" (ARB 43, Statement 2); (b) "[w]here there is evidence that the utility of goods ... will be less than cost ... due to obsolescence ... or other causes, the difference should be recognized as a loss of the current period" (ARB 43, Statement 5); and (c) "the basis of stating inventories must be consistently applied and should be disclosed in the financial statements ..." (ARB 43, Statement 8).
139. Aerosonic overstated millions of dollars in revenues, inventory and other items in its financial statements, as the Company has already acknowledged. To the substantial damage of plaintiff and the Class, these results, and defendants’ representations concerning them, were materially false. Absent its admitted accounting improprieties, the Company would have reported materially lower revenues and earnings, for the fiscal years ended January 31, 1999, 2000, 2001 and 2002, and the fiscal quarters ended April 30, July 31, and October 31, 2002. Had the Company disclosed its accounting improprieties to plaintiff and the Class prior to the time they purchased shares of Aerosonic stock, plaintiff and the Class would not have consummated those purchases at all or would have purchased those shares at materially lower prices.

140. The Company’s misstatements and omissions caused its stock to trade at artificially inflated prices during the Class Period. Aerosonic falsely portrayed itself as a growing, increasingly more profitable company through the Class Period despite knowledge of, or reckless disregard for its true financial results and condition.

141. Due to Aerosonic’s accounting improprieties, the Company presented its financial results and statements in a manner which violated GAAP, including but not limited to the following fundamental accounting principles:

(a) that interim financial reporting should be based upon the same accounting principles and practices used to prepare annual financial statements (APB No. 28, ¶ 10);

(b) that financial reporting should provide information that is useful to present and potential investors, creditors, and other users in making rational investment, credit, and similar decisions (FASB Concept No. 1, ¶ 34);
(c) that financial reporting should provide information about the economic resources of an enterprise, the claims to those resources, and the effects of transactions, events, and circumstances that change resources and claims to those resources (FASB Concept No. 1, ¶ 40);

(d) that financial reporting should provide information about how management of an enterprise has discharged its stewardship responsibility to owners (stockholders) for the use of enterprise resources entrusted to it. To the extent that management offers securities of the enterprise to the public, it voluntarily accepts wider responsibilities for accountability to prospective investors and to the public in general (FASB Concept No. 1, ¶ 50);

(e) that financial reporting should provide information about an enterprise’s financial performance during a period. Investors and creditors often use information about the past to help in assessing the prospects of an enterprise. Thus, although investment and credit decisions reflect investors’ and creditors’ expectations about future enterprise performance, those expectations are commonly based at least partly on evaluations of past enterprise performance (FASB Concept No. 1, ¶ 42);

(f) that financial reporting should be reliable in that it represents what it purports to represent. That financial information should be reliable as well as relevant is a notion that is central to accounting (FASB Concept No. 2, ¶¶ 58-59);

(g) that financial reporting be complete, which means that nothing is left out of the information that may be necessary to insure that it validly represents underlying events and conditions (FASB Concept No. 2, ¶ 79); and

(h) that conservatism be used as a prudent reaction to uncertainty to try to ensure that uncertainties and risks inherent in business situations are adequately considered. The best
way to avoid injury to investors is to try to ensure that what is reported represents what it purports to represent (FASB Concept No. 2, ¶¶ 95, 97).

142. The Company also failed to disclose that it lacked adequate human resources and internal accounting controls to prevent the misstatements and omissions alleged herein.

143. Further, the undisclosed, albeit critically important and adverse, financial and accounting information about which plaintiff was not properly or timely advised, is precisely the type of information which, because of SEC Regulations, regulations of the national stock exchange, and customary business practice, is expected by investors and securities analysts to be accurately and timely disclosed, and corporate officials and their legal and financial advisors are or should be aware of and adhere to such proper business practices.

**ADDITIONAL ALLEGATIONS OF SCIENTER**

144. Individual defendants Nabors and McCracken were, at least in part, motivated to participate in the fraudulent scheme alleged herein because their employment agreements with the Company were tied to either the financial performance of the Company or their own performance. According to Aerosonic's Definitive Proxy Statement filed with SEC on May 31, 2002:

> Aerosonic Corporation's board of directors has approved employment agreements between the Company and five of its executive officers, J. Mervyn Nabors, David Baldini, Mark Perkins, Eric McCracken and Carm Russo. The work agreements became effective at various times from August 31, 1996 to February 5, 1998, each for a three-year period of time which is automatically renewed after the three-year period. The agreements require certain minimum performance standards in exchange for a minimum base annual salary of $175,000 for Mr. Nabors, $110,000 for Mr. Baldini, $110,000 for Mr. Perkins and $85,000 each for Mr. McCracken and Mr. Russo.
145. Individual defendants Nabors and McCracken were, at least in part, motivated to participate in the fraudulent scheme alleged herein because they received compensation in addition to their base salary.

146. During the Class Period, individual defendants Nabors and McCracken received substantial financial compensation and incremental raises as a result of their participation in the fraudulent scheme alleged herein, as follows:

<table>
<thead>
<tr>
<th>Name and Principal Position</th>
<th>Year</th>
<th>Annual Compensation Increase (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>J. Mervyn Nabors (President/CEO)</td>
<td>2002</td>
<td>$319,261 45.1%</td>
</tr>
<tr>
<td></td>
<td>2001</td>
<td>$220,028 13.5%</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>$193,785</td>
</tr>
<tr>
<td>Eric J. McCracken (CFO/Exec. Vice President)</td>
<td>2002</td>
<td>$160,414 29.3%</td>
</tr>
<tr>
<td></td>
<td>2001</td>
<td>$124,079 13.0%</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>$109,790</td>
</tr>
</tbody>
</table>

147. Nabors was also specifically motivated to participate in the fraudulent scheme alleged herein because a substantial amount of his personal wealth was invested in the Company’s common stock. According to Aerosonic’s Definitive Proxy Statement filed with SEC on May 31, 2002, Nabors held 1,242,000 shares of Aerosonic common stock, or 31.7% of the Company’s stock issued and outstanding, as of May 22, 2002.

148. McCracken was also specifically motivated to participate in the fraudulent scheme alleged herein because he used the ill-gotten salary and bonuses he received during the Class Period to improve his own standard of living. For example, on March 27, 2000, just prior to the beginning of the Class Period, McCracken purchased a home for $189,900. Less than two years later, McCracken sold that house and purchased a new house for $329,000 on or about February 22, 2002.
149. The Company’s May 22, 2003 press release specifically attributed its accounting misstatements and omissions to intentional and/or reckless misconduct by defendant Aerosonic and unspecified employees and agents, by stating that (emphasis added):

*These adjustments are the result of misstatements and misrepresentation in the Company’s financial statements, falsification of certain inventory records, adjustments for obsolete and slow moving inventory, improper revenue recognition, questionable fixed asset capitalization, and disbursement and compensation issues.*

150. The Company and its Board of Directors, including but not limited to defendant Nabors, knowingly or recklessly hired defendant McCracken as Aerosonic’s CFO, notwithstanding that he lacked adequate training and experience to hold that position.

151. The Company and its Board of Directors, including but not limited to defendant Nabors, knowingly or recklessly retained defendant McCracken as Aerosonic’s CFO, notwithstanding that he lacked adequate training and experience to hold that position.

152. The Company and its Board of Directors, including but not limited to defendant Nabors and McCracken, knowingly or recklessly failed to provide for proper and adequate internal accounting controls to prevent or timely uncover the accounting misstatements that the Company admitted to in its 2003 Form 10-K and its May 22 and October 31, 2003 press releases.

153. The knowing or reckless acts of the Company and its Board of Directors in hiring and retaining CFO McCracken and in failing to provide for proper and adequate internal accounting controls created the opportunity for the defendants to engage in their fraudulent scheme alleged herein.

154. The timing and reasons given for Aerosonic’s management shake-up in the fall of 2002 further demonstrate a degree of actual knowledge within the Company and its management
during the Class Period of defendants' misrepresentations and omissions. Specifically, and according to the Company's 2003 Form 10-K, David Baldini replaced defendant Nabors as President on November 14, 2002 and defendant McCracken resigned as CFO in October 2002. Moreover, Audit Committee member and Director Garwacki resigned in October 2002 due to the stated reason of Aerosonic complying with the Sarbanes-Oxley Act of 2002 -- and the potential criminal and civil liability that flowed from the provisions under that statute. In addition, in February 2003, just one month before Aerosonic came forward to begin its admissions of accounting improprieties, the Company hired an investor relations firm that would be tasked with attempting to put a professional spin upon the Company's admissions of accounting improprieties.

155. PricewaterhouseCoopers, or its predecessor firm Coopers & Lybrand L.L.P., has been the outside accountant and auditor for Aerosonic since 1995, and purported to conduct independent audits under Generally Accepted Auditing Standards ("GAAS") and provide clean opinions for the Company's Forms 10-K for the years ending January 31, 1999, 2000, 2001 and 2002.

156. PricewaterhouseCoopers also performed accounting reviews of Aerosonic's Forms 10-Q for at least the fiscal quarters beginning with the quarter ended April 30, 2000.

157. In addition, according to publicly-filed certifications in the Company's Forms 10-Q for the fiscal quarters ended July 31 and October 31, 2002, Aerosonic's Chief Executive Officer and Chief/Principal Financial Officer certified they had specifically disclosed to PricewaterhouseCoopers:

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process,
summarize and report financial data and have identified for the registrant’s auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal controls.

158. Based on information and belief, and in accordance with the typical practice for public companies and their auditors, PricewaterhouseCoopers reviewed and approved of Aerosonic’s press releases announcing the Company’s annual financial results for the fiscal years ending January 31, 1999, 2000, 2001 and 2002.

159. Based on, among other things, its purportedly conducting GAAS audits of Aerosonic since 1995 and the known discussions with the Company’s Chief Executive Officer and Chief/Principal Financial Officer as referenced in the certifications filed in connection with the Company’s Forms 10-Q for the fiscal quarters ended July 31 and October 31, 2002, PricewaterhouseCoopers either knew or in the absence of its own recklessness should have known of defendants’ misrepresentations and omissions alleged herein, including without limitation the misconduct admitted to in the Company’s 2003 Form 10-K. At the very least, PricewaterhouseCoopers recklessly ignored “red flags” that should have led it to conduct further investigation and testing, including Aerosonic’s materially increasing revenues and earnings, a CFO who lacked adequate training and experience commiserate with that position, insufficient financial and accounting controls, abrupt management shake-ups, and the resignation of a member of the Audit Committee due to the fact that the Company was subject to the provisions of recently enacted legislation addressing corporate fraud.
160. Aerosonic’s core businesses are not esoteric or complicated, nor do they involve complex accounting issues. It is, by and large, a garden-variety manufacturer involved in aviation parts and services, and military contracts. PricewaterhouseCoopers is one of the most sophisticated accounting firms in the world, with specialized expertise in virtually every mundane and arcane GAAP accounting issue. It is inconceivable that PricewaterhouseCoopers could have conducted its audits of Aerosonic in compliance with GAAS and certified the 1999, 2000, 2001 and 2002 financials as compliant with GAAP in the absence of at least severe recklessness towards, if not actual knowledge of, the issuer’s material misrepresentations and material omissions, including, but not limited to, a significant misvaluation of obsolete inventory and improper revenue recognitions.

INAPPLICABILITY OF SAFE HARBOR

161. The statutory safe harbor provided for forward-looking statements ("FLS") does not apply to any false FLS that may be pleaded herein. The statutory safe harbor for FLS does not apply because the safe harbor exempts from coverage the Company’s false financial statements. Moreover, any such FLS pleaded herein were not specifically identified as “forward-looking statements” when made and/or were not accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the FLS.

FIRST CLAIM FOR RELIEF
(For Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder Against Aerosonic and the Individual Defendants)

162. Plaintiff realleges each of the foregoing allegations as if fully set forth herein.
163. Throughout the Class Period, defendant Aerosonic and the individual defendants, singly and in concert with other defendants, directly or indirectly, engaged in a common plan, scheme and course of conduct described in this Complaint, pursuant to which they knowingly or recklessly: engaged in acts, transactions, practices and a course of conduct which operated as a fraud upon plaintiff and the other members of the Class; made various false statements of material facts and omitted to state material facts necessary to make the statements made not misleading to plaintiff and the other members of the Class; and employed manipulative or deceptive devices and contrivances in connection with the purchase and sale of Aerosonic common stock by plaintiff and other members of the Class.

164. The purpose and effect of defendants' plan, scheme and course of conduct was to artificially inflate the price of Aerosonic common stock and to artificially maintain the market price of Aerosonic common stock.

165. The defendants, who include the top officers and directors of the Company during the relevant time period, had actual knowledge of the material omissions and/or the falsity of the material statements set forth above, and intended to deceive plaintiff and the other members of the Class, or, in the alternative, acted with reckless disregard for the truth when they failed to ascertain and disclose the true facts in the statements made by them or other Aerosonic personnel to the SEC, media, securities analysts and members of the investing public, including plaintiff and the Class.

166. As a result of all of the foregoing, the market price of Aerosonic common stock was artificially inflated during the Class Period. In ignorance of the falsity of the reports and statements and, in particular, of the material misstatements of Aerosonic's financial results during the Class Period and the deceptive and manipulative devices and contrivances employed
by the defendants, plaintiff and the other members of the Class relied, to their damage, on the
reports and statements described above and/or the integrity of the market price of Aerosonic
common stock during the Class Period in purchasing Aerosonic common stock, which was
artificially inflated during the Class Period as a result of defendants’ false and misleading
statements.

167. In addition, had plaintiff and the other members of the Class known of the
material adverse information which defendants did not disclose, they would not have purchased
Aerosonic common stock at all or at the artificially inflated prices that they did.

168. Defendants’ concealment of this material information served to harm plaintiff and
the other members of the Class who purchased Aerosonic common stock in ignorance of the
financial risk to them as a result of such nondisclosures.

169. In addition to the duties of full disclosure imposed on defendants as a result of
their making affirmative statements and reports to the investing public or their participation
therein, the individual defendants had a duty to promptly disseminate truthful information that
would be material to investors in compliance with the integrated disclosure provisions of the
SEC as embodied in SEC Regulation S-X (17 C.F.R. Sections 210.01 et seq.) and S-K (17 C.F.R.
Sections 229.10 et seq.) and other SEC regulations, including accurate and truthful information
with respect to the Company’s financial results, operations and condition, so that the market
price of the Company’s common stock would be based on truthful, complete and accurate
information.

170. As a result of the wrongful conduct alleged in this Complaint, plaintiff and other
members of the Class have suffered damages in an amount to be established at trial.
171. By reason of the foregoing, defendants have violated Section 10(b) of the
Exchange Act and SEC Rule 10b-5 promulgated thereunder and are liable to the plaintiff and the
other members of the Class for the substantial damages which they suffered in connection with
their purchases of Aerosonic common stock during the Class Period.

SECOND CLAIM FOR RELIEF
(For Violation of Section 10(b) of the Exchange Act and
Rule 10b-5 Thereunder Against PricewaterhouseCoopers)

172. Plaintiff repeats and realleges each and every allegation above as if set forth in full
in this Complaint. This Count is asserted against defendant PricewaterhouseCoopers, based on
its unqualified audit opinions, for violations of Section 10(b) of the Exchange Act and Rule 10b-5
promulgated thereunder, on behalf of all purchasers of Aerosonic common stock during the
Class Period who were damaged thereby.

173. Throughout the Class Period, PricewaterhouseCoopers, individually and in
concert with other defendants, directly or indirectly, by the use and means of instrumentalities of
interstate commerce and of the mails, engaged and participated in a common plan, scheme and
course of conduct to conceal adverse material information about Aerosonic, including its true
financial results, operations and condition, as specified herein. PricewaterhouseCoopers
knowingly or recklessly: (a) engaged in acts, transactions, practices and a course of business
which operated as a fraud upon plaintiff and the other members of the Class; (b) made various
false statements of material facts and omitted to require the issuer to state material facts
necessary to make the statements made not misleading to plaintiff and the other members of the
Class; and (c) employed manipulative or deceptive devices and contrivances in connection with
the purchase and sale of Aerosonic common stock by plaintiff and other members of the Class.
Specifically, PricewaterhouseCoopers knew or recklessly disregarded that Aerosonic’s reported
financial results during the Class Period, as filed with the SEC by Aerosonic and disseminated to the investing public, were materially misstated and were not presented in accordance with GAAP, that PricewaterhouseCoopers' audits were not performed in accordance with GAAS, and, therefore, that PricewaterhouseCoopers' unqualified audit opinions, as included or incorporated by reference in Aerosonic's annual or quarterly reports and other SEC filings during the Class Period, were materially false and misleading.

174. The Forms 10-K for the fiscal years ended January 31, 1999, 2000, 2001 and 2002 were materially false and misleading, contained untrue statements of material facts, omitted to state material facts necessary to make the statements made in those SEC filings, under the circumstances in which they were made, not misleading, and failed to adequately disclose material facts. As detailed herein, the misrepresentations contained in, or the material facts omitted from, those Forms 10-K included, among other things, the overstatement of revenue, earnings and inventory for the fiscal years ended January 31, 1999, 2000, 2001 and 2002, as well as the representations in PricewaterhouseCoopers' unqualified audit opinions on Aerosonic's financial statements for those years, in which PricewaterhouseCoopers certified that: (i) it had audited Aerosonic's financial statements in accordance with GAAS; (ii) it had planned and performed those audits "to obtain reasonable assurance about whether the financial statements are free of material misstatement"; (iii) in its opinion, those financial statements "present fairly, in all material respects, the financial position" of Aerosonic "in conformity with accounting principles generally accepted in the United States of America"; and (iv) PricewaterhouseCoopers' audits provided a "reasonable basis" for its opinions. As detailed herein, PricewaterhouseCoopers' audit opinions were materially false and misleading. PricewaterhouseCoopers did not make a reasonable investigation or possess reasonable grounds
for the belief that the statements described above, which were contained in the Company's Forms 10-K for the fiscal years ended January 31, 1999, 2000, 2001 and 2002, were true, were without omissions of any material facts, and were not misleading.

175. PricewaterhouseCoopers, with knowledge or reckless disregard of the falsity and misleading nature of the statements contained in its unqualified audit opinions, caused the public statements quoted herein to contain misstatements and omissions of material facts. As described herein, PricewaterhouseCoopers' audit of Aerosonic's financial statements for 1999, 2000, 2001 and 2002 were not performed in accordance with GAAS, and, in fact, PricewaterhouseCoopers had no basis for its unqualified opinions. PricewaterhouseCoopers' unqualified audit opinions dated April 26, 1999, April 10, 2000, March 30, 2001 and March 29, 2002, issued in connection with those audits, as included or incorporated by reference in the Company's SEC-filed Forms 10-K for the fiscal years ended January 31, 1999, 2000, 2001 and 2002, in which PricewaterhouseCoopers certified, among other things, that its audits were performed in accordance with GAAS, were materially false and misleading.

176. PricewaterhouseCoopers acted with scienter throughout the Class Period because it either had actual knowledge of the misrepresentations and omissions of material facts set forth herein, or acted with reckless disregard for the truth in that it failed to ascertain and to disclose the true facts, even though such facts were available to it. PricewaterhouseCoopers was Aerosonic's auditor and had unfettered access to the Company's books and records throughout the Class Period, and was directly responsible for the false and misleading statements and omissions disseminated to the public through its unqualified opinions. The investing public reposes a much higher level of confidence in a major accounting firm such as
THIRD CLAIM FOR RELIEF
(For Violation of Section 20(a) of the Exchange Act
Against the Individual Defendants)

181. Plaintiff repeats and realleges each and every allegation above as if set forth in full in this Complaint.

182. During the Class Period, each of the individual defendants, by virtue of his office and/or directorship at Aerosonic and his specific acts, and for at least defendant Nabors by virtue of his significant holdings of Aerosonic common stock, was a controlling person of Aerosonic within the meaning of Section 20(a) of the Exchange Act.

183. Each of the individual defendants' positions made him privy to, and provided him with actual knowledge of, the material facts which Aerosonic concealed from plaintiff and the other members of the Class during the Class Period.

184. Each of the individual defendants at Aerosonic had the power and influence, and exercised the same, to cause Aerosonic to engage in the unlawful conduct and practices complained of herein by causing Aerosonic to disseminate the false and misleading information referred to above.

185. As set forth above, Aerosonic and the individual defendants each violated Section 10(b) of the Exchange Act and SEC Rule 10b-5 promulgated thereunder by their acts and omissions as alleged in this Complaint. By virtue of their positions as controlling persons, the individual defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of defendants' wrongful conduct, plaintiff and the other members of the Class suffered substantial damages in connection with their purchases of Aerosonic common stock during the Class Period.
181. Plaintiff repeats and realleges each and every allegation above as if set forth in full in this Complaint.

182. During the Class Period, each of the individual defendants, by virtue of his office and/or directorship at Aerosonic and his specific acts, and for at least defendant Nabors by virtue of his significant holdings of Aerosonic common stock, was a controlling person of Aerosonic within the meaning of Section 20(a) of the Exchange Act.

183. Each of the individual defendants' positions made him privy to, and provided him with actual knowledge of, the material facts which Aerosonic concealed from plaintiff and the other members of the Class during the Class Period.

184. Each of the individual defendants at Aerosonic had the power and influence, and exercised the same, to cause Aerosonic to engage in the unlawful conduct and practices complained of herein by causing Aerosonic to disseminate the false and misleading information referred to above.

185. As set forth above, Aerosonic and the individual defendants each violated Section 10(b) of the Exchange Act and SEC Rule 10b-5 promulgated thereunder by their acts and omissions as alleged in this Complaint. By virtue of their positions as controlling persons, the individual defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of defendants' wrongful conduct, plaintiff and the other members of the Class suffered substantial damages in connection with their purchases of Aerosonic common stock during the Class Period.
BASIS OF ALLEGATIONS

186. Plaintiff has made the foregoing allegations, other than those concerning himself, based upon the investigation of plaintiff's counsel. Said investigation included a review of various SEC filings of Aerosonic, securities analysts' reports and advisories about the Company, press releases issued by the Company, media reports concerning the Company, and publicly disseminated documents concerning the Company's business practices. Moreover, the Company has admitted to certain of the wrongful acts and practices alleged herein, which admissions also serve as a basis for plaintiff's allegations. Plaintiff believes that additional evidentiary support will exist for his allegations after he is afforded a reasonable opportunity for discovery.

PRAYER FOR RELIEF

WHEREFORE, plaintiff, on behalf of himself and the Class, prays for the following relief:

1. declaring this action to be a class action properly maintained pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure;

2. finding that defendants violated Sections 10(b) and 20(a) of the Exchange Act, and Rule 10b-5 promulgated thereunder, by their actions and omissions as alleged in this Complaint;

3. awarding plaintiff and the members of the class damages, together with interest thereon;
4. awarding plaintiff and other members of the class their costs and expenses of this
litigation, including reasonable attorneys' fees and experts' fees and other costs and
disbursements; and

5. awarding plaintiff and other members of the class such other and further relief as
may be just and proper under the circumstances.

JURY DEMAND

Plaintiff demands a trial by jury of all claims and issues so triable in this action.

Dated: November 12, 2003

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