FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **1996-12-30** | Period of Report: **1996-09-30**
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FILER

ARMATRON INTERNATIONAL INC
CIK:**8699**| IRS No.: **041052250** | State of Incorp.:**MA** | Fiscal Year End: **0930**
Type: **10-K** | Act: **34** | File No.: **001-04433** | Film No.: **96688370**
SIC: **3524** Lawn & garden tractors & home lawn & gardens equip

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2 MAIN ST
MELROSE MA 02176

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MELROSE MA 02176
6173212300

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 30, 1996.

OR

[ ] TRANSITION REPORT PURSUANT OF SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from to
Commission file number: 1-4433.

ARMATRON INTERNATIONAL, INC.
(Exact name of registrant as specified in its charter).

Massachusetts	04-1052250
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2 Main Street, Melrose MA	02176
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (617) 321-2300

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, $1 Par

[X] Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this form 10K or any amendment to this Form 10K.

[ ] Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days. Yes [X] No [ ].

The aggregate market value of common stock held by nonaffiliates on December 2, 1996 was $472,775.

The number of shares of the Registrant's common stock outstanding on December 2, 1996 was 2,606,481.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for the Annual Meeting of Stockholders to be held on January 16, 1997, to be filed pursuant to Regulation 14A not later than 120 days after the end of the fiscal year (September 30, 1996) are incorporated by reference in Part III. Portions of the Registrant's Annual Report to Stockholders for the fiscal year ended September 30, 1996 are incorporated by reference in Parts I, II, and III.

PART I

Item 1. Business

(a) General Development of Business:
Armatron International (the "Company") was organized in 1920 as Automatic Radio. Until 1978, the Company was primarily involved in the design and manufacture of automobile radios.

In 1978 the Company began to concentrate its efforts primarily in manufacturing electronic insect killing devices in the Flowtron Outdoor Products Division which continued until fiscal 1984.

Between 1984 and 1987 the Company acquired several companies in order to grow and diversify. By the end of fiscal 1987 the Company had divested itself of these acquisitions.

The Company's Automatic Radio Division supplied AMC/Chrysler Corp. from 1986 to 1990 with radios for its JEEP. During fiscal 1990 the Company was notified by Chrysler Corporation that they would terminate their supply agreement for radios. In 1994 this Division completed field testing of its ultrasonic collision avoidance/obstacle detection system for automotive applications which is to be marketed under the trademark "ECHOVISION". Production began in the first quarter of 1996.

The Company's main Division, Flowtron Outdoor Products manufactures and distributes bugkillers, leaf-eaters, compost bins, biomisters, yard carts and storage sheds for consumer use.

(b) Financial Information about Industry Segments:
The information required by this item is incorporated herein by reference to Note 11 of the Notes to Consolidated Financial Statements on page 12 of the Company's 1996 Annual Report to Stockholders.

(c) Narrative Description of Business:
(1)(i) The Company operates principally in two segments, the Consumer Products segment and the Industrial Products segment.

The Consumer Products segment involves the manufacture and distribution of Flowtron leaf-eaters, bugkillers, compost bins and biomisters. Two new products for the lawn and garden industry, a yard cart and a storage shed, were introduced for the 1995 season. The Company distributes its products primarily to major retailers throughout the United States, with some products distributed under customer labels. Substantially all of the Company's sales in fiscal 1996 and accounts receivable as of September 30, 1996 related to business activities with such retailers.

Net sales to one customer in the Consumer Products Segment accounted for approximately $2,486,000 or 18% of consolidated net sales in fiscal 1996, as compared to net sales to one customer of $2,441,000 or 20% in fiscal 1995 and net sales to one customer of $4,125,000 or 31% in fiscal 1994.

The Industrial Products segment consisted primarily of marketing and manufacturing of its ECHOVISION collision avoidance/obstacle detection system.

Net sales to one customer in the Industrial Products Segment accounted for approximately $770,000 or 6% of consolidated net sales in fiscal 1996.

(ii) All Flowtron Division products distributed in fiscal 1996 are in full production. These products undergo periodic model changes and product improvements.

The Company began initial marketing of its collision avoidance/obstacle detection system in 1995. Production began in the first quarter of 1996.

(iii) The raw materials used by the Company vary widely with many sources available to meet normal product requirements.

(iv) Although the Company owns a number of design and mechanical patents in the U.S. and foreign countries relative to its consumer products division, these patents are not believed to be material to the operations of the Company. The Company has been awarded three patents relative to the self test function of its obstacle detection system. We believe this self test will be important when customers consider alternatives.

(v) Heavy shipments in spring and early summer of electronic insect killing devices, yard carts and biomisters complement Flowtron storage sheds which are shipped primarily in the late summer and fall.

(vi) In an effort to counteract seasonal tendencies and to level production requirements, the Company follows the industry trade practice of offering its customers extended payment terms when shipments are accepted during certain limited periods, which results in seasonal fluctuations of working capital. Sales terms for the Company's other products are 30 days, net.

(vii) The Company's largest customers, Sears, Roebuck and Co., accounted for $2,486,000, or 18%, of consolidated net sales in fiscal 1996. The Company anticipates that sales to this customer will increase in fiscal 1997.

(viii) Shipment backlog is not a significant factor in the Company's operations.

(ix) Not applicable.

(x) Active competition exists in all product lines in the consumer products division, each with a number of well-established companies which manufacture and sell products similar to those of the Company. Price, service, warranty and product performance are the bases of competition, with price becoming increasingly more important. With reference to the industrial products division the company expects active competition and expects price and product performance will be the basis of such competition.

(xi) The amount spent on Company-sponsored research and development was not significant in any of the three years in the period ended September 30, 1996.

(xii) The Company's compliance with federal, state and local environmental regulations had no material effect upon the expenditures, earnings or competitive position of the Company and its subsidiaries.

In January 1991, the California Department of Health Services (DHS) issued a Corrective Action Order (CAO) against the Company and a former subsidiary. The CAO required the Company to comply with a Cleanup and Abatement Order which had been issued in 1990 against the Company for soil contamination at the site of the former subsidiary. To date, no determination has been made with regard to the extent of any environmental damage and who may be liable. The Company does not believe, based on the information available at this time, that the outcome of this matter will have a material adverse effect on its financial position or results of operations.

(xiii) The number of persons employed by the Company varies from 60 to 130 due to the seasonal production cycle of the Company's products. Management believes relations with employees are satisfactory.

(d) Financial Information about Foreign and Domestic Operations and Export Sales:
The Company's export sales were not significant in any of the three years in the period ended September 30, 1996.

Item 2. Properties

The Company's principal executive offices and main manufacturing plant are leased facilities located at 2 Main Street, Melrose, Massachusetts, a Boston suburb. The Company manufactures bugkillers, leafeaters and biomisters at this facility. The Company leases 84,000 sq. ft. of this facility, which has been occupied by the Company since 1964. The lease for the operating facility expires in September 2000.

Item 3. Legal Proceedings

There are no material outstanding legal proceedings at this time.

Item 4. Submission of Matters to a Vote of Security Holders.

Not applicable.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters.

The information required by this item is set forth under the captions "Selected Financial Data" and "Common Stock Information" on page 18 of the Company's 1996 Annual Report to Stockholders, and is incorporated herein by reference. Under its financing agreement, as set forth in Footnote 6 on Page 9 of the Company's 1996 Annual Report to Stockholders, the Company is restricted from paying dividends for the three-year term of the agreement. The Company currently intends to retain earnings rather than pay cash dividends.

Item 6. Selected Financial Data

The information required by this item is set forth under the caption "Selected Financial Data" on page 18 of the Company's 1996 Annual Report to Stockholders, and is incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Conditions and Results of Operations

The information required by this item is set forth under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 16 through 17 of the Company's 1996 Annual Report to Stockholders, and is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

The following financial statements and supplementary data of the Company are located on pages 2 through 15 of the Company's 1996 Annual Report to Stockholders and are incorporated herein by references:

Consolidated Balance Sheets September 30, 1996 and 1995.

Statements of Consolidated Operations for the Years Ended September 30, 1996, 1995 and 1994.

Statements of Consolidated Cash Flows for the Years Ended September 30, 1996, 1995 and 1994.

Consolidated Statements of Stockholders' Equity for the Years Ended September 30, 1996, 1995 and 1994.

Notes to Consolidated Financial Statements.

Reports of Independent Accountants.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Not Applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant

The information required by this item is set forth under the captions "Election of Directors; Security Ownership of Management" and "Other Executive Officers" and "Section 16(a) Beneficial Ownership Reporting Compliance on pages 2 through 4, and page 9 of the Company's Proxy Statement dated December 30, 1996, and is incorporated herein by reference.

Item 11. Executive Compensation

The information required by this item is set forth under the captions "Executive Compensation" and "Benefit Plans" on pages 5 through 8 of the Company's Proxy Statement dated December 30, 1996 and is incorporated herein by reference.

Item 12. Security Ownership of certain Beneficial Owners and Management.

The information required by this item is set forth under the captions "Election of Directors' Security Ownership of Management" and "Principal Shareholder" on pages 2 through 4 of the Company's Proxy Statement dated December 30, 1996, and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

The information required by this item is set forth under the caption, "Certain Transactions" on page 7 of the Company's Proxy Statement dated December 30, 1996, and in Footnote 6 to the Company's 1996 Annual Report to Stockholders on page 9 and is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) The following documents are filed as part of this report:
(1) Financial Statements
All financial statements of the Registrant as set forth under Item 8 of this report on Form 10-K.

(2) Financial Statement Schedules

<TABLE>
<CAPTION>

SCHEDULE NUMBER	DESCRIPTION	PAGE NUMBER
<S>	<S>	<C>
	Report of Independent Accountants	7
VIII	Valuation & Qualifying Accounts	8

</TABLE>

All other financial statement schedules not listed have been omitted because they are either not required, not applicable, or the information has been included elsewhere in the financial statements or notes thereto.

Columns omitted from schedules filed have been omitted because the information is not applicable.

(3) Exhibits (numbered in accordance with Item 601 of Regulation S-K):

<TABLE>
<CAPTION>

EXHIBIT NUMBER	DESCRIPTION	PAGE NUMBER OR INCORPORATION BY REFERENCE TO
<C>	<S>	<C>
3.1	Restated Articles of Organization of January 23, 1984	***
3.2	By-laws, as amended, through December 20, 1989	***
10.1	Revolving Line of Credit	*****
10.2	1981 Non-qualified Stock Option Plan	***
10.7	Loan and Security Agreement	*
10.8	Armatron International Inc./Dreyfus 401(k) Profit Sharing Plan and Trust: Summary Plan Description	******
10.9	Facility Lease	******
11.0	Not Applicable	
13.0	Annual Report to Stockholders for FY 1996	
19.1	$7,000,000 Line of Credit with a Related Party	**
21.0	List of Subsidiaries	
23.0	Consent of Independent Accountants	

<FN>
<F1> * Filed as an Exhibit to the Company's Annual Report on Form 10K for the fiscal year ended September 30, 1994.

<F2> ** Filed as an Exhibit to the Company's Form 10-Q for the quarter ended March 31, 1990.

<F3> *** Filed as an Exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1990 and incorporated herein by reference.

<F4> ***** Filed as an Exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1993 and incorporated herein by reference.

<F5> ****** Filed as an Exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1995 and incorporated herein by reference.

</TABLE>

(b) Reports on Form 8-K
No reports were filed on Form 8-K for the last quarter of the Company's fiscal year ended September 30, 1996.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders
of Armatron International, Inc.:

Our report on the consolidated financial statements of Armatron International, Inc. has been incorporated by reference in this Form 10-K from page 15 of the 1996 Annual Report to Stockholders of Armatron International, Inc. In connection with our audits of such financial statements, we have also audited the related financial statement schedules listed in the index on page 6 of this Form 10-K.

In our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly, in all material respects, the information required to be included therein.

Needham, Massachusetts
December 9, 1996 R. J. GOLD & COMPANY P.C.
December 20, 1996 as to Note 13

ARMATRON INTERNATIONAL, INC.

SCHEDULE VIII - VALUATION AND QUALIFYING ACCOUNTS

<TABLE>
<CAPTION>

COLUMN A	COLUMN B Balance at Beginning of Period	COLUMN C Charged to Costs and Expenses	COLUMN D Deductions	COLUMN E Balance at End of Period
<S>	<C>	<C>	<C>	<C>
Year Ended September 30, 1994:				
Allowance for doubtful accounts	$292,000	$(146,000)	$ 46,000	$100,000
Warranty costs	90,000	(34,000)	43,000	40,000
	$382,000	$(180,000)	$ 89,000	$140,000
Year Ended September 30, 1995:				
Allowance for doubtful accounts	$100,000	$ 65,000	$(14,000)	$179,000
Warranty costs	40,000	71,000	47,000	64,000
	$140,000	$ 136,000	$ 33,000	$243,000
Year Ended September 30, 1996:				
Allowance for doubtful accounts	$179,000	$ 2,000	$ 5,000	$176,000
Warranty costs	64,000	77,000	101,000	40,000
	$243,000	$ 79,000	$106,000	$216,000

</TABLE>

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ARMATRON INTERNATIONAL, INC.

December 26, 1996

By:/s/ Charles J. Housman

Charles J. Housman
Chairman of the Board,
President and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant on December 26, 1996, in the capacities indicated.

By: /s/ Edward L. Housman

Edward L. Housman
Director

By: /s/ Charles J. Housman

Charles J. Housman
Chairman of the Board,
President and Director

By: /s/ Elliot J. Englander

Elliot J. Englander
Director

EXHIBIT INDEX

<TABLE>
<CAPTION>

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<F5> ****** Filed as an Exhibit to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1995 and incorporated herein by reference.
</TABLE>

1996

Annual Report

ARMATRON INTERNATIONAL INC.

/
/ ARMATRON INTERNATIONAL, INC. AND SUBIDIARY

FINANCIAL HIGHLIGHTS

<TABLE>
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	Years Ended September 30, 1996	1995	1994
Net Sales	$ 13,750,000	$ 12,017,000	$ 13,286,000
Operating Profit (Loss)	$ 13,000	$ (1,159,000)	$ (934,000)
Net Loss	$ (495,000)	$ (1,557,000)	$ (1,212,000)
Stockholders' Equity	$ 229,000	$ 724,000	$ 2,281,000
Stockholders' Equity Per Common Share	$ .09	$ .29	$ .93
Weighted Average Number of Common Shares Outstanding	2,459,749	2,459,749	2,459,754
Loss Per Share of Common Stock:			
Net Loss	$ (.20)	$ (.63)	$ (.49)

</TABLE>

TO OUR STOCKHOLDERS

New product introduction and increased sales of ECHOVISION grew the fiscal year's sales by 14.3% from $12,017,000 to $13,750,000 and decreased the comparative loss from $1,557,000 to $495,000.

We're disappointed despite the improved performance. Production problems experienced in the introduction of the garden shed negatively affected the opportunity for additional market penetration and the recent relocation of our molding facility has caused further production delays. Additional equipment and a larger storage area has resolved this problem and we anticipate continued growth with this new product.

ECHOVISION, like many new technology/new market products, has undergone changes in response to user feedback. The original ECHOVISION products required the driver, in a tractor/trailer application, to separately connect and disconnect the system. These products also required too much driver interpretation of the warning signals. Second generation ECHOVISION products have incorporated driver friendly information algorithms and have eliminated the necessity for the driver to make extra connections significantly increasing driver acceptance.

FEDERAL EXPRESS ordered ECHOVISION systems installed on all new pick-up and delivery vans manufactured from January 1, 1996 through the end of November. Driver feedback has been overwhelmingly positive and early accident data indicates safety effectiveness exceeding program objectives. The program is currently undergoing a comprehensive evaluation at FEDERAL EXPRESS.

Mr. William Welsh, a member of the Board of Directors since 1982, has decided to retire. We thank Bill for his dedicated service to Armatron and wish him well.

With the support of our Board and management team, we have every confidence in Armatron and the challenges ahead. We are buoyed by the continued and loyal efforts of our associates and the support of our customers and stockholders. We will continue to work hard to justify your trust.

/s/ CHARLES J. HOUSMAN

Charles J. Housman
President & Chairman of the Board

/
/ ARMATRON INTERNATIONAL, INC. AND SUBIDIARY

ASSETS (Note 6)

<TABLE>
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	September 30, 1996	1995
<S>	<C>	<C>
CURRENT ASSETS:		
Cash and cash equivalents (Note 1)...	$ 1,849,000	$ 1,322,000
Trade accounts receivable (less allowance for doubtful accounts of $176,000 in 1996 and $179,000 in 1995)..	2,121,000	2,189,000
Current portion of other receivable..	39,000	32,000
Inventories (Note 2)...	2,349,000	2,225,000
Deferred tax asset (Note 8)..	130,000	165,000
Prepaid and other current assets...	148,000	122,000
Total Current Assets	6,636,000	6,055,000
PROPERTY AND EQUIPMENT, net (Note 3)...	637,000	952,000
OTHER ASSETS (Note 4)..	202,000	249,000
	$ 7,475,000	$ 7,256,000

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY

<TABLE>
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	September 30, 1996	September 30, 1995
<S>	<C>	<C>
CURRENT LIABILITIES:		
Accounts payable	$ 1,171,000	$ 1,112,000
Accrued liabilities (Note 5)	1,285,000	705,000
Total Current Liabilities	2,456,000	1,817,000
LONG-TERM DEBT related parties (Note 6)	4,715,000	4,715,000
DEFERRED RENT (Note 1)	75,000	--
COMMITMENTS AND CONTINGENCIES (Note 10)		
STOCKHOLDERS' EQUITY (Note 7):		
Common stock, par value $1 per share; authorized 6,000,000 shares; issued 2,606,481 shares in 1996 and 1995	2,606,000	2,606,000
Additional paid-in capital	6,770,000	6,770,000
Accumulated deficit	(8,761,000)	(8,266,000)
	615,000	1,110,000
Less:		
Treasury stock at cost--146,732 shares in 1996 and 1995	386,000	386,000
Total Stockholders' Equity	229,000	724,000
	$ 7,475,000	$ 7,256,000

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

/
/ ARMATRON INTERNATIONAL, INC. AND SUBIDIARY

STATEMENTS OF CONSOLIDATED OPERATIONS
For the Years Ended September 30, 1996, 1995 and 1994

<TABLE>
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	1996	1995	1994
<S>	<C>	<C>	<C>
Net Sales	$ 13,750,000	$ 12,017,000	$ 13,286,000
Cost of products sold	11,054,000	10,570,000	11,253,000
Gross margin	2,696,000	1,447,000	2,033,000
Selling, general and administrative expenses	2,625,000	2,541,000	3,113,000
Provision for (recovery of) bad debts	62,000	65,000	(146,000)
Operating Profit (Loss)	9,000	(1,159,000)	(934,000)
Other Income (Expense):			
Interest expense--third parties	(49,000)	(41,000)	(6,000)
Interest expense--related party	(480,000)	(488,000)	(494,000)
Other income--net	60,000	131,000	57,000
Other income (expense)--net	(469,000)	(398,000)	(443,000)
Loss before income taxes	(460,000)	(1,557,000)	(1,377,000)

Income tax (benefit) expense (Note 8)	35,000	--	(165,000)
Net Loss	$ (495,000)	$ (1,557,000)	$ (1,212,000)
Net Loss per Share of Common Stock	$ (.20)	$ (.63)	$ (.49)
Weighted Average Number of Common Shares Outstanding	2,459,749	2,459,749	2,459,754

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

STATEMENTS OF CONSOLIDATED CASH FLOWS
For the Years Ended September 30, 1996, 1995 and 1994

<TABLE>
<CAPTION>

	1996	1995	1994
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (495,000)	$ (1,557,000)	$ (1,212,000)
Adjustments to reconcile net loss to net cash flows from operating activities:			
Depreciation and amortization	395,000	453,000	616,000
Deferred tax (benefit) expense	35,000	--	(165,000)
Provision (recovery) for bad debts	62,000	65,000	(146,000)
Loss on disposal of equipment	1,000	--	35,000
(Increase) decrease in:			
Accounts receivable	6,000	160,000	(42,000)
Inventories	(124,000)	712,000	315,000
Prepaid and other current assets	(26,000)	144,000	(124,000)
Other assets	9,000	(32,000)	(105,000)
Increase (decrease) in:			
Accounts payable	59,000	(275,000)	576,000
Other current liabilities	580,000	(85,000)	(37,000)
Deferred rent	75,000	--	--
Net Cash Flow from (used for) Operating Activities	577,000	(415,000)	(289,000)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for purchases of equipment and patents	(50,000)	(780,000)	(146,000)
Net Cash Flow used for Investing Activities	(50,000)	(780,000)	(146,000)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments on long-term debt--third parties	--	(1,000)	(16,000)
Payments on long-term debt--related party	--	(425,000)	(110,000)
Loan origination costs	--	(63,000)	--
Net Cash Flow used for Financing Activities	--	(489,000)	(126,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	527,000	(1,684,000)	(561,000)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,322,000	3,006,000	3,567,000
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,849,000	$ 1,322,000	$ 3,006,000
SUPPLEMENTAL INFORMATION:			
Interest paid--third parties	$ 49,000	$ 41,000	$ 6,000
Interest paid--related party	$ 41,000	$ 528,000	$ 454,000
Income taxes paid	$ --	$ --	$ --

</TABLE>

The accompanying notes are an integral part of the consolidated financial statements.

/
/ ARMATRON INTERNATIONAL, INC. AND SUBIDIARY

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the Years Ended September 30, 1996, 1995 and 1994

	Common Stock		Paid-In	Accumulated	Treasury Stock		Total Stockholders'
	Shares	Amount	Capital	Deficit	Shares	Amount	Equity
Balance, September 30, 1993........	2,606,481	$2,606,000	$6,770,000	$(5,497,000)	(146,727)	$(386,000)	$ 3,493,000
Net loss....................	--	--	--	(1,212,000)	--	--	(1,212,000)
Balance, September 30, 1994........	2,606,481	2,606,000	6,770,000	(6,079,000)	(146,727)	(386,000)	2,281,000
Increase in treasury stock..	--	--	--	--	(5)	--	--
Net loss....................	--	--	--	(1,557,000)	--	--	(1,557,000)
Balance, September 30, 1995........	2,606,481	2,606,000	6,770,000	(8,266,000)	(146,732)	(386,000)	724,000
Net loss....................	--	--	--	(495,000)	--	--	(495,000)
Balance, September 30, 1996........	2,606,481	$2,606,000	$6,770,000	$(8,761,000)	(146,732)	$(386,000)	$ 229,000

The accompanying notes are an integral part of the consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Armatron International, Inc. and its wholly owned subsidiary. All intercompany balances and transactions have been eliminated in consolidation.

Revenue Recognition

Revenue from product sales is recognized at the time the products are shipped. Following industry trade practice, the Company offers extended payment terms for delivery of seasonal items.

Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with an original maturity of less than three months to be cash equivalents. The Company invests excess funds in short-term, interest-bearing obligations, including reverse repurchase agreements and commercial paper.

The Company has no requirements for compensating balances. The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits and in deposit accounts at its commercial finance company. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Inventories

Inventories are stated on a first-in, first-out (FIFO) basis at the lower of cost or market.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed based upon the estimated useful lives of the various assets using the straight-line method with annual rates of depreciation of 10 to 33-1/3%. Capitalized tooling costs are amortized over three years. Depreciation expense was $363,000, $426,000 and $616,000 for fiscal 1996, 1995 and 1994, respectively. Tooling and molding costs are charged to a deferred cost account as incurred, prepaid tooling, until the tool or mold is completed. Upon completion the costs are transferred to a property/equipment account.

Maintenance and repairs are charged to operations as incurred. Renewals and betterments which materially extend the life of assets are capitalized and depreciated. Upon disposal, the asset cost and related accumulated depreciation are removed from their respective accounts. Any resulting gain or loss is reflected in earnings.

Deferred Rent

Deferred rent results from amortizing the lease for its operating facility over the term of the lease on a straight-line basis.

Advertising

The Company expenses advertising as incurred. Advertising expense was $322,000, $295,000 and $248,000 for fiscal 1996, 1995 and 1994, respectively.

Income Taxes

Effective October 1, 1993 the Company adopted Financial Accounting Standard No. 109 (SFAS No. 109) "Accounting for Income Tax". SFAS No. 109 changes the Company's method of accounting for income taxes from the income statement approach, recognized by Accounting Principles Board No. 11 to an asset and liability approach. As permitted by SFAS No. 109 the Company opted not to restate the financial statements for prior periods.

Deferred income taxes are provided for temporary differences between financial statement and income tax reporting principally from the carryforward of unused net operating losses, tax credits, and alternative minimum taxes.

Fair Value of Financial Instruments

The carrying value of cash and cash equivalents and long-term debt approximate their fair value based on instruments with similar terms and maturities.

Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Earnings (Loss) Per Share

Earnings (loss) per share of common stock is computed on the basis of weighted average number of common shares outstanding in each year.

2. INVENTORIES

Inventories consist of the following at September 30:

	1996	1995
Raw Materials	$ 1,632,000	$ 1,606,000
Work in Process	65,000	84,000
Finished Goods	652,000	535,000
	$ 2,349,000	$ 2,225,000

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

	1996	1995
Land and buildings	$ 80,000	$ 80,000
Furniture and fixtures	396,000	391,000
Machinery and equipment	1,830,000	1,902,000
Capitalized tooling costs	3,808,000	3,773,000
	6,114,000	6,146,000
Less accumulated depreciation and amortization	5,477,000	5,194,000
	$ 637,000	$ 952,000

4. OTHER ASSETS

Other assets consists of the following at September 30:

	1996	1995
Other receivable, net of current portion	$ 89,000	$ 104,000
Note receivable--employee, due under terms of an annual renewable note, interest payable monthly at an annual rate of 6%, secured by a second mortgage	100,000	100,000
Other	13,000	45,000
	$ 202,000	$ 249,000

5. ACCRUED LIABILITIES

Accrued liabilities consist of the following as of September 30:

	1996	1995
Salaries, commissions and benefits	$ 365,000	$ 321,000
Warranty costs	40,000	64,000
Advertising costs	145,000	135,000
Interest	439,000	--
Other	296,000	185,000
	$ 1,285,000	$ 705,000

6. DEBT

Long-term debt consists of the following as of September 30:

	1996	1995
	$ 4,715,000	$ 4,715,000

The Company has a $7,000,000 line of credit with a realty trust operated for the benefit of the Company's principal shareholders. This line of credit, with interest payable at 10%, requires monthly payments of interest only, is payable in full in October 1997 and is collateralized by all assets of the Company. The Company had $4,715,000 outstanding under this line of credit at September 30, 1996 and 1995. The maximum borrowings against this line during fiscal 1996 were $4,715,000. Repayment of this line of credit is subordinate to the repayment of any and all balances outstanding on the revolving line of credit described below. Related interest expense incurred in the years ended September 30, 1996, 1995 and 1994 were $480,000, $488,000 and $494,000, respectively. At September 30, 1996 interest payments totaling $439,000 for the period November 1, 1995 to September 30, 1996 were in arrears. On December 11, 1996 the Company received a waiver for the covenant violation. The period of this waiver extends through October 1, 1997.

The Company has a revolving line of credit with a commercial finance company which permits combined borrowings of up to $3,500,000 in cash and letters of credit. This line of credit expires in December 1996 and is collateralized by all assets of the Company. The terms of this agreement include a borrowing limit which fluctuates depending on the levels of account receivable and inventory which collateralize the borrowings. Interest on amounts outstanding is payable on a monthly basis at an annual rate of 2-1/4% over the prime rate which was 8-1/4% at September 30, 1996. As of September 30, 1996 the Company had outstanding letters of credit amounting to approximately $331,000 under this agreement. This instrument approximates its fair value as the underlying interest rate is tied to market rates. The loan agreement contains various covenants pertaining to the maintenance of working capital, net worth and other conditions. The Company is required to maintain continuing working capital of $4,800,000 and adjusted net worth, as defined in the loan agreement of $400,000. At September 30, 1996, working capital was $4,180,000, which is in violation of the loan agreement. On December 20, 1996 the Company received a waiver for the covenant violation and renewed this revolving credit line. (See Note 13.)

A summary of borrowings on commercial finance company and bank revolving credit agreements and unused lines of credit for the years ended September 30, 1996, 1995 and 1994 is as follows:

	1996	1995	1994
Average borrowings during year...................	$ 313,638	$ 394,129	$ --
Average interest rate during year................	10.67%	11.25%	7.5%
Maximum borrowings during year...................	$ 1,365,000	$ 1,330,000	$ --
Unused line of credit at September 30............	$ 3,169,000	$ 3,354,000	$ 2,196,000

7. STOCK OPTIONS

The Company's incentive stock option plan terminated December 1, 1990. Options were granted to officers and key employees to purchase common shares at prices not less than the fair market value on the date of grant. Options are exercisable in varying installments and expire in varying periods which may not exceed ten years from the date of the grant.

Information concerning stock options for the years ended September 30, 1996, 1995 and 1994 is summarized below:

	Options Outstanding	
	Shares	Price Range

<C>	<C>	<C>
September 30, 1994	20,000	$1.75--$2.50
Granted	--	--
Exercised	--	--
Canceled	--	--
September 30, 1995	20,000	$1.75--$2.50
Granted	--	--
Exercised	--	--
Canceled	--	--
September 30, 1996	20,000	$1.75--$2.50

</TABLE>

At September 30, 1996 and 1995, options for 20,000 shares were exercisable. The expiration dates of the options range from 1998 to 1999. The average exercise price of outstanding options is $2.27.

8. INCOME TAXES

As discussed in the summary of significant accounting policies the Company adopted Statement of Financial Accounting Standards No. 109 as of October 1, 1993. The adoption of this change did not have a cumulative effect on the financial position or the net results of operations.

The provision for income taxes for continuing operations consists of the following:

<TABLE>
<CAPTION>

	(000's) Year Ended September 30, 1996	1995	1994
<S>	<C>	<C>	<C>
CURRENT TAX PROVISION			
Federal	$ --	$ --	$ --
State	--	--	--
TOTAL CURRENT PROVISION	--	--	--
DEFERRED TAX (BENEFIT)/EXPENSE			
Federal	(160)	(545)	(127)
State	(39)	(297)	(38)
TOTAL DEFERRED (BENEFIT)/EXPENSE	(199)	(842)	(165)
CHANGE IN VALUATION ALLOWANCE	234	842	--
INCOME TAXES (BENEFIT)/EXPENSE	$ 35	$ --	$ (165)

</TABLE>

The significant items comprising the deferred tax assets and liabilities are as follows:

<TABLE>
<CAPTION>

	1996	1995
<S>	<C>	<C>
Deferred Tax Assets:		
Doubtful Receivables	$ 78,000	$ 80,000
Inventory Obsolescence and Shrinkage	225,000	177,000
Sales Allowances	32,000	26,000
Warranties	18,000	28,000
Non-qualified Executive Retirement Plan	147,000	130,000
Tax Loss Carryforwards	6,595,000	6,386,000
Tax Credit Carryforwards	439,000	459,000
Other	215,000	223,000
Subtotal	7,749,000	7,509,000
Deffered Tax Liabilities:		
Excess of Tax over Book Depreciation	(114,000)	(73,000)

Net Deferred Tax Assets........................	7,635,000	7,436,000
Less Valuation Allowance.......................	(7,505,000)	(7,271,000)
NET DEFERRED TAX ASSETS........................	$ 130,000	$ 165,000

</TABLE>

A reconciliation of the federal tax rate to the Company's effective tax rate for 1996, 1995 and 1994 are as follows:

<TABLE>
<CAPTION>

	% of Pretax Income		
	1996	1995	1994
<S>	<C>	<C>	<C>
Federal income tax at statutory rate on loss before taxes.....	35.0%	35.0%	35.0%
Reduction due to valuation allowance..........................	(29.08)	(35.0)	(44.22)
Income tax credit at effective rate...........................	5.92%	0%	(9.22)%

</TABLE>

For income tax purposes the Company has unused Federal operating loss carryforwards of $16,491,000 expiring through 2011 and State operating loss carryforwards of $13,399,000 expiring through 2001.

In addition to the loss carryforwards the Company has research and development and investment tax credit carryovers of $104,000 and $335,000 respectively through 2001 which are available to reduce future tax liabilities.

The realization of the net deferred tax asset of $130,000 is dependent on the Company's ability to generate sufficient taxable income in the future. In recognizing its net deferred tax assets the Company has used certain assumptions about future levels of pretax income.

9. BENEFIT PLANS

The Company has a 401(k) Savings Plan whereby employees may voluntarily defer a portion of their compensation and the Company matches a portion of the employee deferral. All employees with at least one year of continuous service are eligible for the plan. Company contributions vest 100% after five years. The Company's contributions amounted to $0 in fiscal years 1996 and 1995 and $22,000 in 1994.

The Company also has a retirement plan for certain senior executives. The benefits payable under this retirement plan are based upon a formula which allows for the offset of benefits under other offered retirement plans and Social Security benefits. At September 30, 1996, the unfunded benefit obligation of this retirement plan was approximately $331,000. The Company has made no contributions to this retirement plan in each of the three years ended September 30, 1996.

10. COMMITMENTS AND CONTINGENCIES

The Company was obligated at September 30, 1996 under certain operating leases for various types of equipment and the Company's operating facility. The lease for the operating facility expires in September 2000. Rental expense for fiscal 1996, 1995 and 1994 was $420,000, $450,000, and $625,000, respectively. The future minimum lease commitments total $1,287,000 as follows: $332,000 in fiscal 1997, $325,000 in 1998, $315,000 in 1999, and $315,000 in 2000.

Commitments for the purchase of molds at September 30, 1996 totalled $60,000.

In January 1991, the California Department of Health Services (DHS) issued a Corrective Action Order (CAO) against the Company and a former subsidiary. The CAO requires the Company and a former subsidiary to comply with a Cleanup and Abatement Order which had been issued in 1990 against the Company for soil contamination at the site of the former subsidiary. To date, no determination has been made with regard to the extent of any environmental damage and who may be liable. The Company does not believe, based on the information available at this time, that the outcome of this matter will have a material adverse effect on its financial position or results of operations.

11. BUSINESS SEGMENT INFORMATION

The Company operates principally in two segments, the Consumer Products segment and the Industrial Products segment. Operations in the Consumer Products segment involve the manufacture and distribution of Flowtron leaf-eaters, bugkillers, yard carts and storage sheds which comprise 94 percent of the Company's sales for 1996. The Company distributes its consumer products primarily to major retailers throughout the United States, with some products distributed under customer labels. Substantially all of this segment's sales and accounts receivable related to business activities with such retailers. The Industrial Products segment has developed an electronic obstacle avoidance system for automotive applications. Production of this unit began in fiscal 1996. There are no intercompany sales between segments. Operating profit is total revenue less operating expenses excluding interest expense, general corporate expenses and income taxes. Identifiable assets by industry segment are those assets that are identified in the operation of each of the Company's segments. Corporate assets are principally cash and other assets. The Company export sales are not significant. Net sales to a single customer accounted for $2,486,000, or 18%, of net sales in fiscal 1996, $2,441,000, or 20%, of net sales in fiscal 1995, and $4,125,000, or 31% of net sales in fiscal 1994. At September 30, 1996 the accounts receivable due from this customer was $703,000 or 33% of net trade accounts receivable.

<TABLE>
<CAPTION>

	For the Years Ended September 30, 1996	1995	1994
<S>	<C>	<C>	<C>
Net sales to unaffiliated customers:			
Consumer Products	$ 12,910,000	$ 11,920,000	$ 13,223,000
Industrial Products	840,000	97,000	63,000
Total net sales	$ 13,750,000	$ 12,017,000	$ 13,286,000
Operating profit (loss)			
Consumer Products	$ 750,000	$ (25,000)	$ 542,000
Industrial Products	29,000	(410,000)	(341,000)
	779,000	(435,000)	201,000
General corporate expenses	(770,000)	(724,000)	(1,135,000)
Consolidated operating loss	9,000	(1,159,000)	(934,000)
Interest expense	(529,000)	(529,000)	(500,000)
Other income--net	60,000	131,000	57,000
Loss before income taxes	$ (460,000)	$ (1,557,000)	$ (1,377,000)
Identifiable assets:			
Consumer Products	$ 5,244,000	$ 5,766,000	$ 6,412,000
Industrial Products	282,000	61,000	74,000
Corporate	1,949,000	1,429,000	3,113,000
Total assets	$ 7,475,000	$ 7,256,000	$ 9,599,000
Depreciation:			
Consumer Products	$ 359,000	$ 422,000	$ 610,000
Industrial Products	4,000	4,000	6,000
Corporate	--	--	--
Total depreciation and amortization	$ 363,000	$ 426,000	$ 616,000
Capital expenditures:			
Consumer Products	$ 40,000	$ 780,000	$ 146,000
Industrial Products	10,000	--	--
Total capital expenditures	$ 50,000	$ 780,000	$ 146,000

</TABLE>

12. INTERIM FINANCIAL REPORTING

The aggregate impact on the "Net Loss" resulting from fourth quarter adjustments relating to the reversal of reserves in the amount of $253,000 which was material and had the effect of decreasing the Net Loss by $253,000 in the fourth quarter.

13. SUBSEQUENT EVENT

On December 11, 1996 the Company received a waiver from the realty trust for the violation of certain loan covenants (Note 6).

On December 20, 1996 the Company received a waiver from the commercial finance company for the violation of certain loan covenants (Note 6). The Company renewed this line of credit which expires in December 1999. Interest on amounts outstanding is payable on a monthly basis at an annual rate of 1-3/4% over the prime rate. As of October 1, 1996 the Company is required to maintain continuing working capital of not less than $2,000,000 and adjusted net worth of not less than $2,500,000.

REPORT OF INDEPENDENT ACCOUNTANTS

Stockholders and Directors of ARMATRON INTERNATIONAL, INC.:

We have audited the accompanying consolidated balance sheets of Armatron International, Inc. as of September 30, 1996 and 1995, and the related consolidated statements of operations, cash flows and stockholders' equity, for the years ended September 30, 1996, 1995 and 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above, present fairly, in all material respects, the financial position of Armatron International, Inc. as of September 30, 1996 and 1995 and the results of its operations and its cash flows for the years ended September 30, 1996, 1995 and 1994, in conformity with generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, the Company changed its method of accounting for income taxes during the year ended September 30, 1994.

/s/ R. J. GOLD & COMPANY, P.C.

R. J. GOLD & COMPANY, P.C.

Needham, Massachusetts
December 9, 1996
December 20, 1996 as to Note 13.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

In fiscal 1996, operating activities generated $577,000 in cash, which was due primarily to an increase of other current liabilities of $580,000. Investing activities consumed $50,000 for equipment purchases. As a result primarily of these factors, cash and cash equivalents increased $527,000.

In fiscal 1996, 1995 and 1994, purchases of equipment and patents amounted to $50,000, $780,000, and $146,000 respectively. These expenditures were mainly for tooling and dies used in production of the Company's lawn and garden products.

The Company plans to spend approximately $465,000 for capital expenditures in fiscal 1997. These expenditures will be mainly for tooling and dies for the Company's lawn and garden products.

In December 1996, the Company renewed from a commercial finance company a revolving line of credit which allows aggregate borrowings of $3,500,000 to be used as working capital and which expires in December 1999. The interest rate on loans shall be 1 3/4% over the prime rate. The interest rate on the revolving line of credit which expires in December 1996 was 2 1/4% over the prime rate which was 8 1/4% at September 30, 1996. Borrowings made against this line of credit are collateralized by all assets of the Company. As of September 30, 1996, the Company was contingently liable for outstanding letters of credit of approximately $331,000 under this line of credit agreement.

The Company has a $7,000,000 line of credit from a Realty Trust operated for the benefit of the Company's principal shareholders. This line of credit, with interest at 10%, requires monthly payments of interest only, is payable in full in October 1997 and is collateralized by all assets of the Company, as noted in Footnote 6. Interest payments for the period November 1, 1995 through September 30, 1996 are in arrears. The Company had $4,715,000 outstanding under this line of credit at September 30, 1996. The maximum borrowings against this line of credit is subordinate to the repayment of any and all balances outstanding on the revolving line of credit with the commercial finance company.

Production of the ECHOVISION automotive obstacle detection system commenced in January 1996. The financial requirements for the program have been adequately provided for within the credit lines available.

At September 30, 1996, the Company had unused operating loss carryforwards of approximately $16,491,000 for financial reporting purposes which are available to be applied against taxable income for the years 1997 through 2011. As noted in Footnote 7 Income Taxes, the Company recorded a Net Deferred Tax Asset of $130,000. The Company expects to realize this asset through improved operating performance achieved through the anticipated contribution of its new products. Taxable income for fiscal 1997 must increase to approximately $317,000 in order to fully realize the recorded net deferred tax asset.

In January 1991, the California Department of Health Services (DHS) issued a Corrective Action Order (CAO) against the Company and a former subsidiary. The CAO requires the Company and a former subsidiary to comply with a Cleanup and Abatement Order which had been issued in 1990 against the Company for soil contamination at the site of the former subsidiary. To date, no determination has been made with regard to the extent of any environmental damage and who may be liable. The Company does not believe, based on the information available at this time, that the outcome of this matter will have a material adverse effect on its financial position or results of operation.

Management is of the opinion that, unless there is a significant rise in interest rates, inflation will not be an important factor in fiscal 1997.

The Company believes that its present working capital, lines of credit from a commercial finance company and related party, and other sources of financing will be sufficient to finance its seasonal borrowing needs, operations and investments in capital expenditures in fiscal 1997. Other sources of financing, provided by the Company's principal stockholder, are available to finance any working capital deficiencies.

RESULTS OF OPERATIONS

The conditions contributing to the 14% increase in sales is an expanded product line which resulted in an increase of approximately 4% in the average selling price and an increase of 10% in sales volume.

Net sales to one customer accounted for approximately $2,486,000, or 18%, of consolidated net sales in fiscal 1996, as compared to net sales to one customer of $2,441,000, or 20%, in fiscal 1995, and $4,125,000, or 31%, in fiscal 1994.

In fiscal 1996, selling, general and administrative expenses increased $84,000, or 3%, as compared to fiscal 1995, primarily due to the increase in sales. Selling, general and administrative expenses decreased $572,000, or 18%, in fiscal 1995 as compared to fiscal 1994, primarily due to the decrease in sales.

In fiscal 1996, the operating loss decreased $1,168,000 resulting in operating income of $9,000 when compared to fiscal 1995. The operating loss in fiscal 1995 was $1,159,000, an increase of $225,000 when compared to the operating loss of $934,000 in fiscal 1994. Interest expense during fiscal 1996 remained unchanged when compared to fiscal 1995, and increased $29,000 to $529,000 between fiscal 1995 and fiscal 1994.

Other income of $60,000 in fiscal 1996, $131,000 in fiscal 1995 and $57,000 in fiscal 1994 consists primarily of income earned on short-term investments.

The aggregate effect of all fourth quarter adjustments as described in Footnote 12 of the financial statements, on current years reported operations resulting from the reversal of reserves for accrued expenses amounted to $253,000. These reversals are not expected to have an impact upon future operations.

The Company believes inflation did not have a material effect on its results of operations for fiscal 1996, 1995 or 1994.

FIVE-YEAR FINANCIAL SUMMARY

SELECTED FINANCIAL DATA:

	Years Ended September 30, 1996	1995	1994	1993	1992
	(in thousands, except per share data)				
Net Sales	$ 13,750	$ 12,017	$ 13,286	$ 16,174	$ 18,562
Operating Income (Loss)	$ 13	$ (1,159)	$ (934)	$ (1,106)	$ (929)
Net Loss	$ (495)	$ (1,557)	$ (1,212)	$ (1,548)	$ (1,432)
Earnings (Loss) Per Share of Common Stock:					
Operating Income (Loss)	$ .01	$ (.47)	$ (.38)	$ (.45)	$ (.38)
Net Loss	$ (.20)	$ (.63)	$ (.49)	$ (.63)	$ (.58)
Total Assets	$ 7,475	$ 7,256	$ 9,599	$ 10,398	$ 13,120
Long-Term Obligations	$ 4,715	$ 4,715	$ 5,140	$ 5,251	$ 6,016

There were no dividends paid on common shares during any of the above years. Under the financing agreement, as set forth in footnote 6 to the company's financial statements the Company is restricted from paying dividends for the three-year term of that agreement.

Common Stock Information:

The approximate number of shareholders of record at December 2, 1996 was 1,108.

The following table indicates the quarterly high and low prices for the Company's common stock on the American Stock Exchange for 1995 and the high and low bid prices as reported in Over the Counter Bulletin Board for 1996:

Quarter	1996 High	Low	1995 High	Low
First	11/16	7/16	1-1/16	11/16
Second	11/16	1/4	1-1/18	3/4
Third	2-7/8	1/4	1-1/16	13/16
Fourth	1-1/8	5/8	15/16	9/16

BOARD OF DIRECTORS

Charles J. Housman
President, Treasurer & Chairman of the Board

Edward L. Housman

President, Automatic Radio International

Elliot J. Englander
Member, Englander, Finks, Ross, Cohen & Brander, P.C.
Attorneys at Law

Craig Spangenberg
Partner, Spangenberg, Shibley, Traci & Lancione
Attorneys at Law

OFFICERS

Charles J. Housman, President, Treasurer

Sal DeYoreo, Vice President

Elliot J. Englander, Clerk

AUDITORS
R. J. Gold & Company, P.C.

GENERAL COUNSEL
Englander, Finks, Ross, Cohen & Brander, P.C.

TRANSFER AGENT
American Stock Transfer & Trust Co.

STOCK TRADING
Over the Counter Bulletin Board

FORM 10-K

A copy of the Company's Fiscal 1996 Annual Report on Form 10-K to the Securities and Exchange Commission is available to Stockholders, without charge, upon written request to the Company:

Armatron International, Inc.
Two Main Street
Melrose, MA 02176

ARMATRON
INTERNATIONAL INC.

EXHIBIT 21.0

LIST OF SUBSIDIARIES

Subsidiaries and Divisions

FLOWTRON OUTDOOR PRODUCTS DIVISION
VORNADO POWER PRODUCTS DIVISION
AUTOMATIC RADIO DIVISION
AUTOMATIC RADIO INTERNATIONAL CORP.
ECHOVISION

CORPORATE OFFICES
2 Main Street
Melrose, MA 02176

EXHIBIT 23.0

CONSENT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders
of Armatron International, Inc.:

We consent to the incorporation by reference in the Registration Statements on Form S-3 (SEC File no. 2-80846 and SEC File No. 2-80950) and in the Registration Statement on Form S-8 (SEC File No. 2-80846) of Armatron International, Inc. of our reports dated December 9, 1996, on our audit of the consolidated financial statements and financial statement schedules of Armatron International, Inc. as of September 30, 1996 and 1995, and for the years ended September 30, 1996 and 1995, which report is incorporated by reference or included in this Annual Report on Form 10-K.

Needham, Massachusetts
December 20, 1996

R. J. GOLD & COMPANY P.C.

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