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ADVANCED PHOTONIX INC  
Form 10QSB  
February 11, 2004

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 28, 2003

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file no. 1-11056

ADVANCED PHOTONIX, INC.

Incorporated pursuant to the Laws of Delaware

IRS Employer Identification No. 33-0325826

1240 Avenida Acaso, Camarillo, CA 93012

(805) 987-0146

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 requirements for the past 90 days. Yes  No

On February 9, 2004, 13,447,059 shares of Class A Common Stock, \$.001 par value, and 31,691 shares of Class B Common Stock, \$.001 par value, were outstanding.

ADVANCED PHOTONIX, INC.

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PART I FINANCIAL INFORMATION

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### ADVANCED PHOTONIX, INC.

#### CONSOLIDATED BALANCE SHEET AT DECEMBER 28, 2003 (UNAUDITED)

-----		
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$	629,00
Short-term investments		1,700,00
Accounts receivable, less allowance of \$14,000		2,135,00
Inventories		2,492,00
Prepaid expenses and other current assets		350,00
Total Current Assets		7,306,00
-----		
EQUIPMENT AND LEASEHOLD IMPROVEMENTS, at cost		4,981,00
Less accumulated depreciation and amortization		(3,430,00)
Total Equipment and Leasehold Improvements		1,551,00
-----		
OTHER ASSETS		
Goodwill, net of accumulated amortization of \$353,000		2,439,00
Patents, net of accumulated amortization of \$46,000		17,00
Other		74,00
Total Other Assets		2,530,00
-----		
TOTAL ASSETS	\$	11,387,00

See notes to consolidated financial statements.

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ADVANCED PHOTONIX, INC.

CONSOLIDATED BALANCE SHEET - Continued  
AT DECEMBER 28, 2003  
(UNAUDITED)

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LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Line of credit	\$	900,000
Accounts payable		509,000
Accrued salaries, wages and benefits		330,000
Current portion of capital lease payable		21,000
Other		69,000
		-----
Total Current Liabilities		1,829,000
		-----

Capital lease payable, net of current portion		12,000
		-----

COMMITMENTS AND CONTINGENCIES

Class A redeemable convertible preferred stock, \$.001 par value; 780,000 shares authorized; 40,000 shares issued and outstanding		32,000
		-----

SHAREHOLDERS' EQUITY

Preferred stock, \$.001 par value; 10,000,000 shares authorized; 780,000 shares designated Class a redeemable convertible; no shares issued and outstanding other than Class A redeemable convertible		--
Class A common stock, \$.001 par value; 50,000,000 shares authorized; 13,447,059 shares issued and outstanding		13,000
Class B common stock, \$.001 par value; 4,420,113 shares authorized; 31,691 shares issued and outstanding		--
Additional paid-in capital		27,688,000
Accumulated Deficit		(18,187,000)
		-----

Total Shareholders' Equity		9,514,000
		-----

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$	11,387,000
		=====

See notes to consolidated financial statements.

ADVANCED PHOTONIX, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED)

	Three Months Ended		
	December 28, 2003	December 29, 2002	December
SALES	\$2,933,000	\$2,603,000	\$8,
Cost of goods sold	1,895,000	1,737,000	5,
GROSS PROFIT	1,038,000	866,000	3,
Research and development expenses	32,000	107,000	
Marketing and sales expenses	188,000	271,000	
General and administrative expenses	568,000	454,000	1,
INCOME (LOSS) FROM OPERATIONS	250,000	34,000	
OTHER INCOME			
Interest income	5,000	20,000	
Interest expense	(7,000)	--	
Other, net	8,000	7,000	
TOTAL OTHER INCOME	6,000	27,000	
NET INCOME (LOSS)	\$ 256,000	\$ 61,000	\$
Basic and Diluted Earnings (Loss) Per Share	\$ .02	\$ .00	\$
Weighted Average Number of Common Shares Outstanding	13,458,000	12,251,000	13,

See notes to consolidated financial statements.

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ADVANCED PHOTONIX, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED)

For the nine month period ended	December 28,
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income (Loss)	\$ 593,000
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation	170,000
Amortization	58,000
Provision for Doubtful Accounts	(29,000)
Provision for Obsolete Inventory	47,000
Changes in operating assets and liabilities:	
Short-term investments	(300,000)
Accounts receivable	147,000
Inventories	89,000
Prepaid expenses and other current assets	(33,000)
Other assets	(29,000)
Accounts payable and accrued expenses	(522,000)
Net cash provided by (used by) operating activities	191,000
CASH FLOWS FROM INVESTING ACTIVITIES	
Capital expenditures	(227,000)
Purchase of selected net assets of Silicon Sensors, LLC	--
Net cash used by investing activities	(227,000)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of stock options	--
Proceeds from exercise of stock options	63,000
Repayment of Line of Credit	(300,000)
Net cash provided by (used by) financing activities	(237,000)
NET DECREASE IN CASH & CASH EQUIVALENTS	(273,000)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	902,000
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 629,000

See notes to consolidated financial statements.

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ADVANCED PHOTONIX, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 28, 2003

(UNAUDITED)

## NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements include the accounts of Advanced Photonix, Inc. ("the Company") and the Company's wholly owned subsidiaries, Silicon Sensors Inc. ("SSI") and Texas Optoelectronics, Inc. ("TOI") (See Note 2). These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-QSB and Article 10 of Regulation S-X and Regulation S-B. All significant intercompany accounts and transactions have been eliminated in consolidation. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation have been included. Operating results for the nine month period ended December 28, 2003 are not necessarily indicative of the results that may be expected for the fiscal year ending March 28, 2004. For further information, refer to the financial statements and notes thereto included in the Advanced Photonix, Inc. Annual Report on Form 10-KSB for the fiscal year ended March 30, 2003.

## NOTE 2 - ACQUISITION

On August 21, 2002, SSI, a newly formed wholly owned subsidiary of API purchased substantially all of the assets and selected liabilities of Silicon Sensors LLC, a closely held manufacturer of opto-electronic semiconductor based components located in Dodgeville, Wisconsin. The purchase price was \$1,718,675 in cash plus the assumption of the Seller's trade accounts payable and accrued liabilities, amounting to approx. \$282,000. The Company incurred \$79,000 of expenses in connection with this acquisition. In addition, the Company entered into a 3 year \$225,000 non-compete agreement with the majority member of Silicon Sensors, LLC and is recording monthly amortization expense of \$6,250.

On January 17, 2003, the Company purchased all of the issued and outstanding shares of common stock of TOI, a privately owned custom manufacturer of opto-electric components and assemblies. The purchase price was 1,059,110 shares of API Class A Common Stock (issued at \$0.92 per share) and repayment of a debt of TOI in the amount of \$1,200,000 representing principal and interest.

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## NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Income (Loss) Per Share: Net income (loss) per share is based on the weighted average number of common shares outstanding. Such weighted average shares were approximately 13,441,000 at December 28, 2003 and 12,250,000 at December 29, 2002. Net income (loss) per share calculations are in accordance with Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings per Share" (SFAS 128). Accordingly, "basic" net income (loss) per share is computed

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by dividing net income (loss) by the weighted average number of shares outstanding for the year. The impact of Statement 128 on the calculation of earnings per share is as follows:

BASIC -----	Nine Months Ended December 28, 2003 -----	Nine Months Ended December 29, 2002 -----
Average Shares Outstanding	13,441,000	12,250,000
Net Income (Loss)	593,000	(194,000)
Basic Income (Loss) Per Share	\$ 0.04	(\$ 0.02)
 DILUTED -----		
Average Shares Outstanding	13,441,000	12,250,000
Net Effect of Dilutive Stock Options based on the treasury stock method using average market price	497,000	240,000
Total Shares	13,938,000	12,490,000
Net Income (Loss)	593,000	(194,000)
Diluted Earnings Per Share	anti-dilutive	anti-dilutive
Average Market Price of Common Stock	\$ 1.43	\$ 0.92
Ending Market Price of Common Stock	\$ 2.13	\$ 0.83

Stock options granted to Company employees, directors, and former owners were excluded from the calculation of earnings per share in the financial statements because they were anti-dilutive for the periods reported:

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NOTE 3 - Continued

Nine Months Ended December 28, 2003		Nine Months Ended December 29,	
No. of Shares Underlying Options	Exercise Price Per Share	No. of Shares Underlying Options	EX
80,000	1.8750	16,000	
28,400	2.5000	126,000	
1,000	3.0940	25,000	
350,000	3.1875	500	

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50,000	5.3440	416,668
-----		
509,400		5,000
=====		
		126,000
		266,006
		76,250
		75,000
		14,500
		74,800
		4,000
		66,000
		35,500
		8,000
		1,000
		400,000
		50,000
		-----
		1,786,224
		=====

Inventories: Inventories consist of the following:

	December 28, 2003
	-----
Raw materials	\$ 2,700,000
Work in progress	991,000
Finished products	119,000
	-----
Total inventories	\$ 3,810,000
	=====
Less reserve	(900,000)
Progress bill and customer prepaid inventory	(418,000)
	-----
Inventories, net	\$ 2,492,000
	=====

NOTE 4 - NEW ACCOUNTING PRONOUNCEMENTS

In June 2002, the Financial Accounting Standards Board ("FASB") issued Statement on Financial Accounting Standard ("SFAS") 146, "Accounting for Costs Associated with Exit or Disposal Activities", which nullifies EITF Issue 94-3. SFAS 146 is effective for exit and disposal activities that are initiated after December 31, 2002 and requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred, in contrast to the date of an entity's commitment to an exit plan, as required by EITF Issue 94-3. The Company adopted the provisions of SFAS 146 on January 1, 2003.



NOTE 4 - Continued

In December 2002, the FASB issued SFAS 148 "Accounting for Stock-Based Compensation--Transition and Disclosure", an amendment of FASB Statement No. 123 "Accounting for Stock-Based Compensation" This Statement provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this Statement amends the disclosure requirements of Statement 123 to require disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Company adopted SFAS 148 on January 1, 2003.

In May 2003 the FASB issued SFAS 150 Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity. This Statement establishes standards for how an issuer of debt or equity classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). Many of those instruments were previously classified as equity. This Statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003.

In January 2003 the FASB issued Interpretation 46 "Consolidation of Variable Interest Entities, an interpretation of ARB No. 51". This Interpretation requires a Company to consolidate the financial statements of a "Variable Interest Entity" ("VIE"), sometimes also known as a "special purpose entity", even if the entity does not hold a majority equity interest in the VIE. The Interpretation requires that if a business enterprise has a "controlling financial interest" in a VIE, the assets, liabilities, and results of the activities of the VIE should be included in consolidated financial statements with those of the business enterprise, even if it holds a minority equity position. This Interpretation was effective immediately for all VIE's created after January 31, 2003; for the first fiscal year or interim period beginning after June 15, 2003 for VIE's in which a Company holds a variable interest that it acquired before February 1, 2003.

In December 2003, the FASB issued SFAS 132R. This Statement revises employers' disclosures about pension plans and other postretirement benefit plans. It does not change the measurement or recognition of those plans required by FASB Statements No. 87, Employers' Accounting for Pensions, No. 88, Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits, and No. 106, Employers' Accounting for Postretirement Benefits Other Than Pensions. This Statement retains the disclosure requirements contained in FASB Statement No. 132, Employers' Disclosures about Pensions and Other Postretirement Benefits, which it replaces. It requires additional disclosures to those in the original Statement 132 about the assets, obligations, cash flows, and net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. The Company will adopt the provisions of SFAS 132R on January 1, 2004.

The adoption of these pronouncements will not have a material effect on the Company's financial position, results from operations or cash flows.

Item 2. Management's Discussion and Analysis

Application of Critical Accounting Policies  
-----

Application of our accounting policies requires management to make judgments and estimates about the amounts reflected in the financial statements. Management uses historical experience and all available information to make these estimates and judgments, although differing amounts could be reported if there are changes in the assumptions and estimates. Estimates are used for, but not limited to, the accounting for the allowance for doubtful accounts, inventory allowances, restructuring costs, impairment costs, depreciation and amortization, sales discounts and returns, warranty costs, taxes and contingencies. Management has identified the following accounting policies as critical to an understanding of our financial statements and/or as areas most dependent on management's judgment and estimates.

Revenue Recognition  
-----

We generally recognize revenue when persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or readily determinable, and collectibility is probable; which is generally the date of shipment. Sales are recorded net of sales returns and discounts. We recognize revenue in accordance with Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements."

Impairment of Long-Lived Assets  
-----

We continually review the recoverability of the carrying value of long-lived assets using the methodology prescribed in Statement of Financial Accounting Standards (SFAS) 144, "Accounting for the Impairment and Disposal of Long-Lived Assets." We also review long-lived assets and the related intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Upon such an occurrence, recoverability of these assets is determined by comparing the forecasted undiscounted net cash flows to which the assets relate, to the carrying amount. If the asset is determined to be unable to recover its carrying value, then intangible assets, if any, are written down first, followed by the other long-lived assets to fair value. Fair value is determined based on discounted cash flows, appraised values or management's estimates, depending on the nature of the assets.

Deferred Tax Asset Valuation Allowance  
-----

We record a deferred tax asset in jurisdictions where we generate a loss for income tax purposes. Due to our history of operating losses, we have recorded a full valuation allowance against these deferred tax assets in accordance with SFAS 109, "Accounting for Income Taxes," because, in management's judgment, the deferred tax assets may not be realized in the foreseeable future.

Inventories  
-----

Our inventories are stated at standard cost (which approximates the first-in, first-out method) or market. Slow moving and obsolete inventories are analyzed quarterly. To calculate a reserve for obsolescence, we compare the current on-hand quantities with both the projected usages for a two-year period and the

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actual usage over the past 12 months. On-hand quantities greater than projected usage are reserved at the standard unit cost. The production, engineering and purchasing departments review the initial list of slow-moving and obsolete items to identify items that have alternative uses in new or existing products. These items are then excluded from the analysis. The remaining amount of slow-moving and obsolete inventory is then reserved for. Additionally, non-cancelable open purchase orders for parts we are obligated to purchase where demand has been reduced may be reserved. Reserves for open purchase orders where the market price is lower than the purchase order price are also established.

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### Accounts Receivable and Allowance for Doubtful Accounts

The Allowance for Doubtful Accounts is established by analyzing each account that has a balance over 90 days past due. Each account is individually assigned a probability of collection. The total amount determined to be uncollectible in the 90-days-past-due category is then reserved fully. The percentage of this reserve to the 90-days-past-due total is then established as a guideline and applied to the rest of the non-current accounts receivable balance where appropriate. When other circumstances suggest that a receivable may not be collectible, it is immediately reserved for, even if the receivable is not yet in the 90-days-past-due category.

### RESULTS OF OPERATIONS

The Company's net sales for the third quarter ("Q3 04") and nine month period ("YTD 04") ended December 28, 2003, were \$2.933 million and \$8.836 million, respectively. As compared to the third quarter of the prior year ("Q3 03"), net sales increased by 13%, while year to date net sales increased by 48% over the same nine month period of the prior year ("YTD 02").

The increase in net sales for both the quarter and year to date periods is attributable to the Company's acquisitions during the past year and is reflected primarily in the military/aerospace and automotive markets, which represent 38% and 7%, respectively, of total year to date revenues. Sales to the military/aerospace markets increased 31% over the same quarter of the prior year and 65% year to date. Sales to the automotive markets, which represented only 1% of prior year to date sales, increased by \$148,000 for the quarter and by \$526,000 year to date. Sales to the medical and industrial sensing markets remained strong, comprising \$4.9 million and representing 15% and 40% of total year to date revenues, respectively. The Company continues to expect that total revenues for fiscal 2004 will show an increase of approximately 40% over fiscal 2003.

### COSTS AND EXPENSES

Cost of goods sold increased by \$158,000 (9%) during Q3 04 and by \$1.84 million (46%) during YTD 04 as compared to the same periods of the prior year. Cost of goods sold, stated as a percentage of net sales, decreased 2 percentage points to 65% for Q3 04, as compared to 67% in Q3 03. Year over year, cost of sales remained flat at 66%, resulting in a year to date gross margin of 34%. As the Company has completed the integration of its last two acquisitions into our California and Wisconsin facilities, we have achieved a gross margin level indicative of what can be expected at current sales levels and throughout the remainder of the fiscal year. As revenues increase, it is expected that margins may improve slightly, as there are a number of fixed manufacturing expenses which are not anticipated to increase proportionately.

Research and development costs decreased by \$75,000 (70%) to \$32,000 in Q3 04 as compared to Q3 03, and by \$203,000 (52%) year to date. The decrease in R & D

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costs is the expected result of the Company's plan to restructure and refocus the R & D department on those projects which offer higher commercial potential per dollar spent. During the remainder of the fiscal year, we expect to see continued decreases in R & D expenditures, based on current revenue and project trends. However, R & D costs can vary, depending on the level of activity associated with new product development projects or customer-requested development contracts.

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Marketing and sales expenses decreased by \$83,000 (31%) to \$188,000 in the third quarter of 2004 compared to Q3 03 and by \$13,000 (2%) to \$715,000 year to date, as compared to YTD 03. The quarterly decrease is primarily due to a recovery of amounts previously recorded as bad debt expense combined with reduced commission expenses as compared to Q3 03. The year to date decrease is the result of the same bad debt recovery which has been offset by increases in salary and travel expenses over fiscal 2003. As a percentage of net revenues, marketing and sales expenses represent 6% for the quarter and 8% year to date. The Company expects that marketing and sales expenses will represent approximately 9% of total fiscal 2004 revenues.

General and administrative expenses increased by \$114,000 (25%) to \$568,000 in Q3 04 as compared to \$454,000 in Q3 03. Year to date, general and administrative expenses increased by \$369,000 (31%) to \$1.544 million as compared to \$1.175 million for YTD 03. The net increases in both quarterly and year to date periods continue to be due to increased salary, depreciation, insurance and outside service/consultant expenses over the same periods in the prior year. In addition, the quarterly increase was impacted by a non-recurring personal property tax expense of \$37,000 for the TOI facility in Texas. As the closing of that facility has been completed, no additional property taxes will be assessed in the future. Thus, general and administrative expenses stated as a percentage of net sales were 19% for the quarter and 17% year to date. Excluding one-time charges of \$37,000, the Company feels that the current level of general and administrative expenses is indicative of what can be expected for the remainder of the year and anticipates that such expenses will approximate 16% of total revenues at year end.

The Company reported net income of \$256,000, or \$0.02 per share, and \$593,000, or \$0.04 per share, for Q3 04 and YTD 04 respectively, as compared to net income of \$61,000 (\$ 0.00 per share) and net loss of (\$194,000) (\$.02) per share) for the same periods of the prior year.

### LIQUIDITY AND CAPITAL RESOURCES

At December 28, 2003, the Company had cash, cash equivalents and short term investments of \$2.329 million and working capital of \$5.477 million. The Company's cash and cash equivalents decreased by \$273,000 during nine months ended December 28, 2003, which included a \$300,000 transfer of cash to short-term investments, resulting in a net increase to total cash and short term investments of \$27,000. \$63,000 was obtained through the exercise of stock options and \$191,000 was obtained through operating activities (excluding short-term investments). Cash generated from the reduction of accounts receivable was offset by increases in prepaid expenses and decreases in accounts payable and accrued liabilities, including a \$300,000 reduction in the Company's outstanding line of credit. In addition, \$227,000 was used for capital expenditures required primarily for necessary computer and manufacturing equipment upgrades.

The Company is exposed to interest rate risk for marketable securities. Due to continually declining interest rates available to the Company pursuant to its investment policy, the Company was able to achieve the best yields on liquid

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money market and equity fund accounts and thus transferred the majority of its available cash reserves from longer term investment instruments to such accounts during the past year. At December 28, 2003, the Company held \$1.7 million in a highly liquid equity fund account which carries an average interest rate of 1.3%. During the remainder of 2004, the Company will continue to monitor available interest rates and will attempt to utilize the best possible avenues of investment for its excess liquid assets.

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### Item 3. Controls and Procedures

Our Chief Executive Officer, President, and Chief Financial Officer (the "Certifying Officers") are responsible for establishing and maintaining disclosure controls and procedures for the Company. The Certifying Officers have designed such disclosure controls and procedures to ensure that material information is made known to them, particularly during the period in which this report was prepared. The Certifying Officers have evaluated the effectiveness of the Company's disclosure controls and procedures within 90 days of the date of this report and believe that the Company's disclosure controls and procedures are effective based on the required evaluation. There have been no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

### FORWARD LOOKING STATEMENTS

The information contained herein includes forward looking statements that are based on assumptions that management believes to be reasonable but are subject to inherent uncertainties and risks including, but not limited to, risks associated with the integration of newly acquired businesses, unforeseen technological obstacles which may prevent or slow the development and/or manufacture of new products, limited (or slower than anticipated) customer acceptance of new products which have been and are being developed by the Company, the availability of other competing technologies and a decline in the general demand for optoelectronic products.

## PART II OTHER INFORMATION

Items 1-5

None.

Item 6 Exhibits and Reports on Form 8-K

(a) Exhibits

- 31.1 Certification of the Registrant's Chairman, Chief Executive Officer, and Director pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.2 Certification of the Registrant's Chief Financial Officer and Secretary pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.3 Certification of the Registrant's President pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32.1 Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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(b) Reports on Form 8-K  
None.

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SIGNATURES

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

Advanced Photonix, Inc.  
(Registrant)

Date: February 10, 2004  
-----

/s/ Richard D. Kurtz  
-----

Richard D. Kurtz  
Chairman, Chief Executive Officer  
and Director

/s/ Susan A. Schmidt  
-----

Susan A. Schmidt  
Chief Financial Officer and Secretary

/s/ Paul D. Ludwig  
-----

Paul D. Ludwig  
President

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