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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 4, 2015**

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

Delaware	**001-33261**	**95-2705790**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

900 Innovators Way	
Simi Valley, CA	**93065**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: **(626) 357-9983**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

On December 8, 2015, AeroVironment, Inc. (the "Company") issued a press release announcing second quarter financial results for the period ended October 31, 2015, a copy of which is attached hereto as Exhibit 99.1.

The information in this Item 2.02, including the exhibit, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, except as shall be expressly set forth by specific reference in such filing.

In addition to historic information, this report, including the exhibit, contains forward-looking statements regarding events, performance and financial trends. Various factors could affect future results and could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. Some of those factors are identified in the exhibit, and in the Company's periodic reports filed with the Securities and Exchange Commission.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Employee Equity Acceleration Program in Change in Control Context — On December 4, 2015, the Compensation Committee of the Company's Board of Directors approved an Employee Change in Control Equity Acceleration program that would accelerate the vesting and exercisability of stock options and restricted stock awards held by any Company employee on a double trigger basis similar to the treatment of equity awards of the officers under the Severance Protection Agreements described below. Under the program, if an employee's employment is terminated by the Company or a successor for a reason other than cause within 18 months after a change in control, the vesting and exercisability of all equity awards held by the employee would accelerate and the awards would become fully vested and exercisable.

Director Equity Treatment in Change in Control Context - On December 5, 2015, the Company's Board of Directors approved the Company entering into a letter agreement with each non-employee director that provides for the acceleration of vesting and exercisability of all Company stock options and restricted stock awards held by the director upon the completion of a change in control.

Executive Treatment in Change in Control and Other Employment Termination Contexts - On December 4, 2015, the Compensation Committee of the Company's Board of Directors approved entering into a Severance Protection Agreement (the "Agreement") with each of the Company's named executive officers (Timothy E. Conver, Wahid Nawabi, Raymond Cook, Catherine Cline and Doug Scott), which provides for the payment of certain benefits to the officer in connection with a change in control and/or the termination of the officer's employment as summarized below. The term of each Agreement will commence on the date the Agreement is executed and continue until December 31, 2018. If a change in control (as defined in the Agreement) occurs during the term of the Agreement, the term will be extended to the date that is 18 months after the date of the occurrence of such change in control. Except as noted below, the Agreements with the officers are on identical terms and do not provide for a gross up of severance benefits in the event excise taxes under Section 280G of the Internal Revenue Code apply.

- Upon termination of the officer's employment by the Company without cause or by the officer for good reason in connection with a change in control, as those terms are defined in the Agreement, the officer is entitled to receive (i) 1.0x his or her base salary, his or her annual bonus target for the year in which the termination occurs and 100% of his or her target long-term incentive award plan payout, (ii) acceleration of vesting and exercisability of equity awards, and (iii) the continuation of certain employee welfare plan benefits for a period of 12 months. As Chief Executive Officer, Mr. Conver would receive 1.5x instead of 1.0x of his base salary, annual bonus and long-term incentive payments if his employment were terminated in connection with a change in control.

- The Agreements also provide for the officer receiving the following severance benefits if the officer's employment is terminated by the Company for any reason other than cause in a context that does not involve a change in control, or upon any termination by reason of the officer's death or disability: (i) his or her prorated bonus target for the year in which the termination occurs, (ii) an amount equal to his or her base salary, and (iii) the continuation of certain employee welfare plan benefits for a period of 12 months. Under his Agreement, Mr. Conver would also be entitled to receive the above severance benefits in a non-change in control context if he terminates his employment for good reason as defined in his Agreement.

To receive the severance benefits described above, the officer must execute a full release of any and all claims against the Company and comply with certain obligations specified in the Agreement.

The preceding summary is qualified in its entirety by reference to the full text of the Agreements and the letter agreements with non-employee directors, forms of which will be filed by the Company with its Quarterly Report on Form 10-Q for the fiscal quarter ending January 31, 2016.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit Number	Description
99.1	Press release issued by AeroVironment, Inc., dated December 8, 2015.

SIGNATURE

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

AEROVIRONMENT, INC.

Date: December 8, 2015

By: /s/ Douglas E. Scott
Douglas E. Scott
Senior Vice President, General Counsel and
Corporate Secretary

Exhibit 99.1

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www.avinc.com • NASDAQ: AVAV

PRESS RELEASE

AeroVironment, Inc. Announces Fiscal 2016 Second Quarter Results

SIMI VALLEY, Calif., December 8, 2015 — AeroVironment, Inc. (NASDAQ: AVAV) today reported financial results for its second quarter ended October 31, 2015.

"Strong performance in our core UAS business delivered a 23 percent increase in AeroVironment's quarterly revenue year-over-year and a 76 percent increase in quarterly gross margin, including 19 percentage points from a government contract reserve reduction. Solid bookings of more than $66 million in UAS contracts and contract extensions further illustrate our team's effectiveness during the quarter," said Tim Conver, AeroVironment chairman and chief executive officer. "We also produced meaningful progress from of our investments in commercial UAS information services and Tactical Missile Systems that have positioned AeroVironment favorably for emerging opportunities in both sectors. In our EES segment, we have more narrowly focused our EV charging business on consumer and business solutions to drive more profitable long-term growth, and Hyundai became the seventh global automaker to select AeroVironment for electric vehicle charging systems."

FISCAL 2016 SECOND QUARTER RESULTS

Revenue for the second quarter of fiscal 2016 was $64.7 million, up 23% from second quarter fiscal 2015 revenue of $52.7 million. The increase in revenue resulted from an increase in sales in our Unmanned Aircraft Systems (UAS) segment of $13.5 million, offset by a decrease in sales in our Efficient Energy Systems (EES) segment of $1.5 million.

Gross margin for the second quarter of fiscal 2016 was $31.5 million, up 76% from second quarter fiscal 2015 gross margin of $17.9 million. The increase in gross margin was due to an increase in product margin of $9.6 million and an increase in service margin of $4.1 million, both of which were impacted by a reserve reversal of $3.5 million for the settlement of prior year government incurred cost audits. As a percentage of revenue, gross margin increased to 49% from 34%.

Income from operations for the second quarter of fiscal 2016 was $6.9 million compared to loss from operations for the second quarter of fiscal 2015 of $4.1 million. The increase in income from operations was a result of an increase in gross margin of $13.7 million, offset by an increase in research and development (R&D) of $1.4 million and in selling, general & administrative (SG&A) expense of $1.3 million.

Other income, net, for the second quarter of fiscal 2016 was $0.1 million compared to other expense, net, for the second quarter of fiscal 2015 of $0.4 million.

Net income for the second quarter of fiscal 2016 was $4.4 million compared to net loss for the second quarter of fiscal 2015 of $2.9 million.

Earnings per diluted share for the second quarter of fiscal 2016 were $0.19 compared to loss per share for the second quarter of fiscal 2015 of $0.13. Loss per share for the second quarter of fiscal 2015 increased by $0.01 due to the decrease in fair value of the conversion option of our convertible bond investment and related sales of stock. There was no impact to earnings per share for the second quarter of fiscal 2016 for the convertible bond investment or sales of stock.

FISCAL 2016 YEAR-TO-DATE RESULTS

Revenue for the first six months of fiscal 2016 was $111.8 million, up 7% from first six months fiscal 2015 revenue of $104.5 million. The increase in revenue resulted from an increase in sales in our UAS segment of $12.5 million offset by a decrease in sales in our EES segment of $5.3 million.

Gross margin for the first six months of fiscal 2016 was $47.6 million, up 49% from first six months fiscal 2015 gross margin of $31.9 million. The increase in gross margin was due to an increase in service margin of $8.2 million and an increase in product margin of $7.5 million, both of which were impacted by a reserve reversal of $3.5 million for the settlement of prior year government incurred cost audits. As a percentage of revenue, gross margin increased to 43% from 31%.

Loss from operations for the first six months of fiscal 2016 was $2.2 million compared to loss from operations for the first six months of fiscal 2015 of $10.6 million. The decrease in loss from operations was a result of an increase in gross margin of $15.6 million, offset by an increase in research and development (R&D) expense of $4.1 million and in selling, general & administrative (SG&A) expense of $3.1 million.

Other expense, net, for the first six months of fiscal 2016 was $2.1 million compared to other income, net, for the first six months of fiscal 2015 of $0.4 million. The increase in expense is primarily due to the recording of an other-than-temporary impairment loss on our CybAero equity securities.

Net loss for the first six months of fiscal 2016 was $2.6 million compared to net loss for the first six months of fiscal 2015 of $6.5 million.

Loss per share for the first six months of fiscal 2016 was $0.11 compared to loss per share for the first six months of fiscal 2015 of $0.29. Loss per share for the first six months of fiscal 2016 was increased by $0.06 due to both the impairment loss and loss on sale of our CybAero equity securities. Loss per share for the first six months of fiscal 2015 decreased by $0.01 due to the increase in fair value of the conversion option of our convertible bond investment and related sales of stock.

BACKLOG

As of October 31, 2015, funded backlog (unfilled firm orders for which funding is currently appropriated to us under a customer contract) was $97.2 million compared to $64.7 million as of April 30, 2015.

FISCAL 2016 — OUTLOOK FOR THE FULL YEAR

For fiscal 2016, the company continues to expect revenue of between $260 million and $280 million, and a gross profit margin of between 36 percent and 37.5 percent, net of reserve effect. Planned increases in strategic R&D and SG&A investments for Commercial UAS in fiscal 2016 may largely offset operating profit in the current fiscal year.

The foregoing estimates are forward looking and reflect management's view of current and future market conditions, including certain assumptions with respect to our ability to obtain and retain government contracts, changes in the timing and/or amount of government spending, changes in the demand for our products and services, activities of competitors, changes in the regulatory environment, and general economic and business conditions in the United States and elsewhere in the world. Investors are reminded that actual results may differ materially from these estimates.

CONFERENCE CALL

In conjunction with this release, AeroVironment, Inc. will host a conference call today, Tuesday, December 8, 2015, at 1:30 pm Pacific Time that will be broadcast live over the Internet. Timothy E. Conver, chairman and chief executive officer, Raymond D. Cook, chief financial officer and Steven A. Gitlin, vice president of investor relations, will host the call.

4:30 PM ET
3:30 PM CT
2:30 PM MT
1:30 PM PT

Investors may dial into the call at (877) 561-2749 (U.S.) or (678) 809-1029 (international) five to ten minutes prior to the start time to allow for registration.

Investors with Internet access may listen to the live audio webcast via the Investor Relations page of the AeroVironment, Inc. website, http://investor.avinc.com. Please allow 15 minutes prior to the call to download and install any necessary audio software.

Audio Replay Options

An audio replay of the event will be archived on the Investor Relations page of the company's website, at http://investor.avinc.com. The audio replay will also be available via telephone from Tuesday, December 8, 2015, at approximately 4:30 p.m. Pacific Time through Tuesday, December 15, 2015, at 9:00 p.m. Pacific Time. Dial (855) 859-2056 and enter the passcode 89717937. International callers should dial (404) 537-3406 and enter the same passcode number to access the audio replay.

ABOUT AEROVIRONMENT, INC.

AeroVironment is a technology solutions provider that designs, develops, produces, supports and operates an advanced portfolio of Unmanned Aircraft Systems (UAS) and electric transportation solutions. The company's electric-powered, hand-launched UASs generate and process data to deliver powerful insight, on-demand, to people engaged in military, public safety and commercial activities around the world. AeroVironment's electric transportation solutions include a comprehensive suite of electric vehicle (EV) charging systems, installation and network services for consumers, automakers, utilities and government agencies, power cycling and test systems for EV developers and industrial EV charging systems for commercial fleets. More information about AeroVironment is available at www.avinc.com.

FORWARD-LOOKING STATEMENTS

This press release contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words such as "believe," "anticipate," "expect," "estimate," "intend," "project," "plan," or words or phrases with similar meaning. Forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of our control, that may cause our business, strategy or actual results to differ materially from the forward-looking statements. Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to, reliance on sales to the U.S. government; availability of U.S. government funding for defense procurement and R&D programs; changes in the timing and/or amount of government spending; potential need for changes in our long-term strategy in response to future developments; unexpected technical and marketing difficulties inherent in major research and product development efforts; changes in the supply and/or demand and/or prices for our products and services; the activities of competitors and increased competition; failure of the markets in which we operate to grow; failure to remain a market innovator and create new market opportunities; changes in significant operating expenses, including components and raw materials; failure to develop new products; the extensive regulatory requirements governing our contracts with the U.S. government; product liability, infringement and other claims; changes in the regulatory environment; and general economic and business conditions in the United States and elsewhere in the world. For a further list and description of such risks and uncertainties, see the reports we file with the Securities and Exchange Commission. We do not intend, and undertake no obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

- Financial Tables Follow -

AeroVironment, Inc.
Consolidated Statements of Operations (Unaudited)
(In thousands except share and per share data)

	Three Months Ended		Six Months Ended	
	October 31, 2015	November 1, 2014	October 31, 2015	November 1, 2014
Revenue:				
Product sales	$ 49,492	$ 42,874	$ 76,131	$ 85,685
Contract services	15,239	9,790	35,650	18,845
	64,731	52,664	111,781	104,530
Cost of sales:				
Product sales	24,802	27,779	41,567	58,576
Contract services	8,396	7,014	22,658	14,029
	33,198	34,793	64,225	72,605
Gross margin:				
Product sales	24,690	15,095	34,564	27,109
Contract services	6,843	2,776	12,992	4,816
	31,533	17,871	47,556	31,925
Selling, general and administrative	14,733	13,470	29,989	26,873
Research and development	9,897	8,531	19,728	15,655
Income (loss) from operations	6,903	(4,130)	(2,161)	(10,603)
Other income (expense):				
Interest income	268	193	492	405
Other (expense) income	(192)	(583)	(2,581)	8
Income (loss) before income taxes	6,979	(4,520)	(4,250)	(10,190)
Provision (benefit) for income taxes	2,560	(1,619)	(1,688)	(3,680)
Net Income (loss)	$ 4,419	$ (2,901)	$ (2,562)	$ (6,510)
Earnings (loss) per share data:				
Basic	$ 0.19	$ (0.13)	$ (0.11)	$ (0.29)
Diluted	$ 0.19	$ (0.13)	$ (0.11)	$ (0.29)
Weighted average shares outstanding:				
Basic	22,985,956	22,878,410	22,966,513	22,840,465
Diluted	23,148,456	22,878,410	22,966,513	22,840,465

AeroVironment, Inc.
Reconciliation of Earnings (Loss) per Share (Unaudited)

	Three Months Ended		Six Months Ended	
	October 31, 2015	November 1, 2014	October 31, 2015	November 1, 2014
Earnings (loss) per diluted share as adjusted	$ 0.19	$ (0.12)	$ (0.05)	$ (0.30)
Other-than-temporary impairment loss and loss on sale of stock	—	—	(0.06)	—
(Decrease) increase in fair value of convertible bond and related sale of stock	—	(0.01)	—	0.01
Earnings (loss) per diluted share as reported	$ 0.19	$ (0.13)	$ (0.11)	$ (0.29)

AeroVironment, Inc.
Consolidated Balance Sheets
(In thousands except share data)

	October 31, 2015 (Unaudited)		April 30, 2015	
Assets				
Current assets:				
Cash and cash equivalents	$	128,032	$	143,410
Short-term investments		77,967		85,381
Accounts receivable, net of allowance for doubtful accounts of $212 at October 31, 2015 and $606 at April 30, 2015		42,746		33,607
Unbilled receivables and retentions		11,798		17,356
Inventories, net		48,336		39,414
Income tax receivable		2,836		—
Deferred income taxes		5,050		5,265
Prepaid expenses and other current assets		4,555		4,599
Total current assets		321,320		329,032
Long-term investments		37,715		46,769
Property and equipment, net		13,579		13,499
Deferred income taxes		6,725		7,426
Other assets		690		741
Total assets	$	380,029	$	397,467
Liabilities and Stockholders' Equity				
Current liabilities:				
Accounts payable	$	11,590	$	19,243
Wages and related accruals		10,503		13,395
Income taxes payable		—		692
Customer advances		3,835		4,235
Other current liabilities		5,669		9,170
Total current liabilities		31,597		46,735
Deferred rent		1,266		1,381
Liability for uncertain tax positions		439		439
Commitments and contingencies				
Stockholders' equity:				
Preferred stock, $0.0001 par value:				
Authorized shares — 10,000,000; none issued or outstanding		—		—
Common stock, $0.0001 par value:				
Authorized shares — 100,000,000				
Issued and outstanding shares — 23,318,688 at October 31, 2015 and 23,314,640 at April 30, 2015		2		2
Additional paid-in capital		151,269		148,293
Accumulated other comprehensive loss		(201)		(1,358)
Retained earnings		195,657		201,975
Total stockholders' equity		346,727		348,912
Total liabilities and stockholders' equity	$	380,029	$	397,467

AeroVironment, Inc.
Consolidated Statements of Cash Flows (Unaudited)
(In thousands)

	Six Months Ended	
	October 31, 2015	November 1, 2014
Operating activities		
Net loss	$ (2,562)	$ (6,510)
Adjustments to reconcile net loss to cash (used in) provided by operating activities:		
Depreciation and amortization	2,765	4,303
Impairment of available-for-sale securities	2,186	—
Loss from equity method investments	122	98
Provision for doubtful accounts	(231)	(105)
Deferred income taxes	215	42
Loss (gain) on sale of equity securities	219	(347)
Stock-based compensation	2,082	1,745
Foreign currency losses	63	281
Increase in fair value of conversion feature of convertible bonds	—	(73)
Tax benefit from exercise of stock options	196	11
Excess tax benefit from stock-based compensation	—	(348)
Amortization of held-to-maturity investments	2,146	2,211
Changes in operating assets and liabilities:		
Accounts receivable	(8,908)	748
Unbilled receivables and retentions	5,558	3,826
Inventories	(8,922)	(1,105)
Income tax receivable	(2,887)	1,708
Other assets	119	27
Accounts payable	(7,653)	5,082
Other liabilities	(7,417)	764
Net cash (used in) provided by operating activities	(22,909)	12,358
Investing activities		
Acquisitions of property and equipment	(2,804)	(1,070)
Equity method investments	(186)	(186)
Purchases of held-to-maturity investments	(43,072)	(68,524)
Redemptions of held-to-maturity investments	55,847	46,727
Sales of available-for-sale investments	987	9,038
Net cash provided by (used in) investing activities	10,772	(14,015)
Financing activities		
Purchase and retirement of common stock	(3,756)	—
Tax withholding payment related to net settlement of equity awards	(29)	—
Excess tax benefit from exercise of stock options	—	348
Exercise of stock options	544	679
Net cash (used in) provided by financing activities	(3,241)	1,027
Net decrease in cash and cash equivalents	(15,378)	(630)
Cash and cash equivalents at beginning of period	143,410	126,969
Cash and cash equivalents at end of period	$ 128,032	$ 126,339
Supplemental disclosure:		
Unrealized change in fair value of investments recorded in other comprehensive income (loss), net of deferred taxes of $18 and $(397), respectively	$ 27	$ 596
Reclassification from share-based liability compensation to equity	$ 228	$ —

AeroVironment, Inc.
Reportable Segment Results are as Follows (Unaudited):
(In thousands)

	Three Months Ended		Six Months Ended	
	October 31, 2015	November 1, 2014	October 31, 2015	November 1, 2014
Revenue:				
UAS	$ 56,589	$ 43,045	$ 96,756	$ 84,231
EES	8,142	9,619	15,025	20,299
Total	64,731	52,664	111,781	104,530
Cost of sales:				
UAS	28,314	27,575	54,780	58,590
EES	4,884	7,218	9,445	14,015
Total	33,198	34,793	64,225	72,605
Gross margin:				
UAS	28,275	15,470	41,976	25,641
EES	3,258	2,401	5,580	6,284
Total	31,533	17,871	47,556	31,925
Selling, general and administrative	14,733	13,470	29,989	26,873
Research and development	9,897	8,531	19,728	15,655
Income (loss) from operations	6,903	(4,130)	(2,161)	(10,603)
Other income (expense):				
Interest income	268	193	492	405
Other (expense) income	(192)	(583)	(2,581)	8
Income (loss) before income taxes	$ 6,979	$ (4,520)	$ (4,250)	$ (10,190)

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