

**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 20, 2006**

HEICO Corporation

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction
of incorporation)

1-4604
(Commission File Number)

65-0341002
(IRS Employer Identification No.)

3000 Taft Street, Hollywood, Florida
(Address of principal executive offices)

33021
(Zip Code)

Registrant's telephone number, including area code: **(954) 987-4000**

(Former name or former address, if changed since last report)

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:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12(b) 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 20, 2006 the Registrant issued a press release, a copy of which is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

Exhibit 99.1. Press release dated December 20, 2006

SIGNATURE

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

HEICO Corporation

(Registrant)

/s/ **THOMAS S. IRWIN**

December 20, 2006

(Date)

Thomas S. Irwin
*Executive Vice President and Chief Financial Officer (Principal Financial
and Accounting Officer)*

Exhibit Index

99.1 Press release dated December 20, 2006

HEICO Reports Record Sales and Operating Income in Fourth Quarter and Full Year Results

50% Increase in Full Year Operating Income and 40% Increase in Full Year Net Income on 45% Increase in Net Sales Represent All-Time Records; Fourth Quarter Operating Income Increase of 37% on 44% Increase in Net Sales

HOLLYWOOD, Fla. and MIAMI, Dec. 20, 2006 (PRIME NEWSWIRE) -- HEICO Corporation (NYSE:HEI-A) (NYSE:HEI) today reported net income increased 40% to a record \$31,888,000, or \$1.20 per diluted share, for the fiscal year ended October 31, 2006 from \$22,812,000, or 87 cents per diluted share, for the fiscal year ended October 31, 2005. Net income for the fourth quarter of fiscal 2006 increased 41% to \$9,321,000, or 35 cents per diluted share, from \$6,625,000, or 25 cents per diluted share, in the fourth quarter of fiscal 2005.

Operating income increased 50% to a record \$66,867,000 for the fiscal year ended October 31, 2006 from \$44,649,000 for the fiscal year ended October 31, 2005. For the fourth quarter of fiscal 2006, operating income increased 37% to a record \$17,573,000 from \$12,806,000 in the fourth quarter of fiscal 2005.

Net sales increased 45% to a record \$392,190,000 for the fiscal year ended October 31, 2006 from \$269,647,000 for the fiscal year ended October 31, 2005. For the fourth quarter of fiscal 2006, net sales increased 44% to a record \$109,825,000 from \$76,524,000 in the fourth quarter of fiscal 2005.

Fiscal 2006 net income reflects the benefit of a tax credit for qualified research and development activities claimed for certain prior years, which increased net income by \$1,002,000, or 4 cents per diluted share, for the full year and increased net income by \$767,000, or 3 cents per diluted share, for the fourth quarter of fiscal 2006.

(NOTE: HEICO has two classes of common stock traded on the NYSE. Both classes, the Class A Common Stock (HEI.A) and the Common Stock (HEI), are virtually identical in all economic respects. The only difference between the share classes is the voting rights. The Class A Common Stock (HEI.A) receives 1/10 vote per share and the Common Stock (HEI) receives one vote per share.)

Laurans A. Mendelson, HEICO's Chairman, President & Chief Executive Officer, remarked, "We are extremely pleased to report record quarterly results for the seventh consecutive quarter. Our full-year fiscal 2006 results also represent all-time sales, operating income and net income records. Our Flight Support Group and our Electronic Technologies Group reported increased net sales of 60% and 14%, respectively, over the fourth quarter of fiscal 2005. In addition, both groups reported higher net sales for full fiscal 2006 over fiscal 2005, with the Flight Support Group reporting a 44% increase and the Electronic Technologies Group reporting a 48% increase. The sales increase within both Groups reflects recent strategic acquisitions as well as strong organic growth. Organic revenue growth within the Flight Support Group and the Electronic Technologies Group approximated 14% and 8%, respectively, in fiscal 2006 when compared to net sales in fiscal 2005.

"Operating income of our Flight Support Group increased 43% to \$46.8 million for the fiscal year ended October 31, 2006 up from \$32.8 million for the fiscal year ended October 31, 2005 and increased 75% to \$13.0 million for the fourth quarter of fiscal 2006 up from \$7.4 million for the fourth quarter of fiscal 2005. Operating margins of the Flight Support Group were 16.9% in the fiscal year ended October 31, 2006 versus 17.1% for the fiscal year ended October 31, 2005 and 16.5% in the fourth quarter of fiscal 2006 versus 15.2% in the fourth quarter of fiscal 2005. The slight decrease in the full year operating margin reflects a less favorable product mix, including the expected impact of lower margins realized on products distributed by Seal Dynamics and Arger Enterprises, which were acquired in November 2005 and May 2006, respectively.

"Operating income of our Electronic Technologies Group increased 62% to \$34.0 million for the fiscal year ended October 31, 2006 up from \$21.0 million for the fiscal year ended October 31, 2005 and increased to \$9.0 million in the fourth quarter of fiscal 2006 up from \$8.9 million for the fourth quarter of fiscal 2005. Operating margins of the Electronic Technologies Group rose to 29.6% for the fiscal year ended October 31, 2006 from 27.0% in the fiscal year ended October 31, 2005 and were 28.8% in the fourth quarter of fiscal 2006 versus 32.5% for the fourth quarter of fiscal 2005. The increase in operating income and operating margin of the Electronic Technologies Group for the full year of fiscal 2006 over fiscal 2005 reflects both the increase in net sales and higher operating margins resulting principally from a favorable product mix, including a higher margin product mix contributed by some of our recent acquisitions. The decrease in the operating margin of the Electronic Technologies Group in the fourth quarter of fiscal 2006 when compared to the fourth quarter of fiscal 2005 is due principally to a less favorable product sales mix.

"Our consolidated operating margin improved to 17.0% for the fiscal year ended October 31, 2006 from 16.6% for the fiscal year ended October 31, 2005, but decreased to 16.0% in the fourth quarter of fiscal 2006 from 16.7% in the fourth quarter of fiscal 2005 principally reflecting the lower operating margins within the Electronic Technologies Group.

"Cash flow from operating activities for fiscal 2006 totaled a record \$46.9 million versus \$35.8 million in fiscal 2005. The increase is principally due to an increase in net income, minority interests' share of income, and depreciation and amortization, along with an increased tax benefit from stock options. These increases were partially offset by an increase in net operating assets required to support the larger sales volumes.

"As we look to fiscal 2007 and beyond, we believe our commitment to develop new products and services, increasing product demand from our customers, our strong financial position and our ability to identify select acquisition opportunities, provide the foundation for continued growth in sales and earnings.

"Based on current market conditions, we are targeting fiscal 2007 twelve-month net sales and operating income growth in the range of 18% to 20% over fiscal 2006 and diluted net income per share in the range of \$1.37 to \$1.39. These targets include our recent acquisitions but exclude the impact of additional acquisitions, if any.

"Fiscal 2007 cash flow from operating activities should approximate \$50 million to \$54 million and our capital expenditures budget for fiscal 2007 approximates \$19 million.

"We remain confident our disciplined business model will provide opportunity for long-term sustainable growth."

As previously announced, HEICO will hold a conference call on Thursday, December 21, 2006 at 9:00 a.m. Eastern Standard Time to discuss its fourth quarter and fiscal year results. Individuals wishing to participate in the conference call should dial: U.S./Canada/International/Local (641) 297-7768, wait for the conference operator and provide the operator with the "Verbal" Passcode/Conference ID 7HEICO (or "743426"). A digital replay will be available two hours after the completion of the conference for 14 days. To access, dial: U.S./Canada/International/Local (641) 297-5263 and enter Passcode/Conference ID 7HEICO (or "743426").

There are currently approximately 15.1 million shares of HEICO's Class A Common Stock (HEI.A) outstanding and 10.4 million shares of HEICO's Common Stock (HEI) outstanding. The stock symbols for HEICO's two classes of common stock on most web sites are HEI.A and HEI. However, some web sites change HEICO's Class A Common Stock stock symbol (HEI.A) to HEI/A or HEIa.

HEICO Corporation is engaged primarily in certain niche segments of the aviation, defense, space and electronics industries through its Hollywood, FL-based HEICO Aerospace Holdings Corp. subsidiary and its Miami, FL-based HEICO Electronic Technologies Corp. subsidiary. HEICO's customers include a majority of the world's airlines and airmotives as well as numerous defense and space contractors and military agencies worldwide in addition to telecommunications, electronics and medical equipment manufacturers. For more information about HEICO, please visit our web site at <http://www.heico.com>.

Certain statements in this press release constitute forward-looking statements, which are subject to risks, uncertainties and contingencies. HEICO's actual results may differ materially from those expressed in or implied by those forward-looking statements as a result of factors including, but not limited to: lower demand for commercial air travel or airline fleet changes, which could cause lower demand for our goods and services; product specification costs and requirements, which could cause an increase to our costs to complete contracts; governmental and regulatory demands, export policies and restrictions, reductions in defense or space spending by U.S. and/or foreign customers, or competition from existing and new competitors, which could reduce our sales; HEICO's ability to introduce new products and product pricing levels, which could reduce our sales or sales growth; HEICO's ability to make acquisitions and achieve operating synergies from acquired businesses, customer credit risk, interest rates and economic conditions within and outside of the aviation, defense, space and electronics industries, which could negatively impact our costs and revenues; and HEICO's ability to maintain effective internal controls, which could adversely affect our business and the market price of our common stock. Parties receiving this material are encouraged to review all of HEICO's filings with the Securities and Exchange Commission, including, but not limited to filings on Form 10-K, Form 10-Q and Form 8-K. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

HEICO CORPORATION
Condensed Consolidated Statements of Operations (Unaudited)

	Twelve Months Ended October 31,	
	2006	2005
Net sales	\$ 392,190,000	\$ 269,647,000
Cost of sales	249,677,000	168,651,000
Selling, general and administrative expenses	75,646,000	56,347,000
Operating income	66,867,000	44,649,000
Interest expense	(3,523,000)	(1,136,000)
Interest and other income	639,000	528,000
Income before income taxes and minority interests	63,983,000	44,041,000
Income tax expense	20,900,000	16,100,000
Income before minority interests	43,083,000	27,941,000
Minority interests' share of income	11,195,000	5,129,000
Net income	\$ 31,888,000(a)	\$ 22,812,000

Net income per share:		
Basic	\$ 1.27	\$.93
Diluted	\$ 1.20	\$.87
Weighted average number of common shares outstanding:		
Basic	25,084,532	24,460,185
Diluted	26,597,603	26,323,302

Twelve Months Ended October 31,

	2006	2005
Operating segment information:-(b)		
Net sales:		
Flight Support Group	\$ 277,255,000	\$ 191,989,000
Electronic Technologies Group	115,021,000	77,821,000
Intersegment sales	(86,000)	(163,000)
	\$ 392,190,000	\$ 269,647,000
Operating income:		
Flight Support Group	\$ 46,840,000	\$ 32,795,000
Electronic Technologies Group	34,026,000	20,978,000
Other, primarily corporate	(13,999,000)(c)	(9,124,000)
	\$ 66,867,000	\$ 44,649,000

HEICO CORPORATION
Condensed Consolidated Statements of Operations (Unaudited)

Three Months Ended October 31,

	2006	2005
Net sales	\$ 109,825,000	\$ 76,524,000
Cost of sales	70,485,000	46,852,000
Selling, general and administrative expenses	21,767,000	16,866,000
Operating income	17,573,000	12,806,000
Interest expense	(896,000)	(351,000)
Interest and other income	274,000	107,000
Income before income taxes and minority interests	16,951,000	12,562,000
Income tax expense	4,707,000	4,670,000
Income before minority interests	12,244,000	7,892,000
Minority interests' share of income	2,923,000	1,267,000
Net income	\$ 9,321,000(a)	\$ 6,625,000
Net income per share:		
Basic	\$.37	\$.27
Diluted	\$.35	\$.25

Weighted average number of common shares outstanding:		
Basic	25,345,446	24,565,034
Diluted	26,827,216	26,451,121

Three Months Ended October 31,

	2006	2005
Operating segment information: - (b)		
Net sales:		
Flight Support Group	\$ 78,669,000	\$ 49,140,000
Electronic Technologies Group	31,163,000	27,400,000
Intersegment sales	(7,000)	(16,000)

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	\$ 109,825,000	\$ 76,524,000
	=====	=====
Operating income:		
Flight Support Group	\$ 13,008,000	\$ 7,448,000
Electronic Technologies Group	8,990,000	8,903,000
Other, primarily corporate	(4,425,000)(c)	(3,545,000)
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	\$ 17,573,000	\$ 12,806,000
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HEICO CORPORATION

Footnotes to Condensed Consolidated Statements of Operations (Unaudited)

- (a) Net income reflects the benefit of a tax credit (net of related expenses) for qualified research and development activities claimed for certain prior years, which increased fiscal 2006 net income by \$1,002,000, or \$.04 per diluted share, and fiscal 2006 fourth quarter net income by \$767,000, or \$0.03 per diluted share.
- (b) During the third quarter of fiscal 2006, one of the Company's subsidiaries formerly included in the Electronic Technologies Group was reclassified to the Flight Support Group. Prior period amounts have been retroactively restated to reflect the revised segment classification.
- (c) Fiscal 2006 results reflect higher employee compensation costs (\$2.0 million) as well as professional fees (\$.7 million) associated with the qualified research and development activities tax credit claim. In addition, fiscal 2006 full year results include aggregate stock option expense (pretax) of \$1,373,000, including \$518,000 allocated to corporate expense.

HEICO CORPORATION

Condensed Consolidated Balance Sheets (Unaudited)

	As of October 31	
	2006	2005
Cash and cash equivalents	\$ 4,999,000	\$ 5,330,000
Accounts receivable, net	65,012,000	47,668,000
Inventories, net	97,283,000	62,758,000
Prepaid expenses and other current assets	12,727,000	10,377,000
Total current assets	180,021,000	126,133,000
Property, plant and equipment, net	49,489,000	46,663,000
Goodwill	275,116,000	248,229,000
Other assets	30,189,000	14,599,000
Total assets	\$534,815,000	\$435,624,000
	=====	=====
Current maturities of long-term debt	\$ 39,000	\$ 63,000
Other current liabilities	65,464,000	49,887,000
Total current liabilities	65,503,000	49,950,000
Long-term debt, net of current maturities	55,022,000	34,061,000
Deferred income taxes	28,052,000	22,431,000
Other non-current liabilities	5,679,000	6,644,000
Total liabilities	154,256,000	113,086,000
Minority interests in consolidated subsidiaries	63,301,000	49,035,000
Shareholders' equity	317,258,000	273,503,000
Total liabilities and shareholders' equity	\$534,815,000	\$435,624,000
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HEICO CORPORATION

Condensed Consolidated Statements of Cash Flows (Unaudited)

Twelve Months Ended
October 31,

	2006	2005
Operating Activities:		
Net income	\$ 31,888,000	\$ 22,812,000
Depreciation and amortization	10,565,000	7,409,000
Deferred income tax provision	2,557,000	3,031,000
Minority interests' share of income	11,195,000	5,129,000
Tax benefit from stock option exercises	7,300,000	2,830,000
Excess tax benefit from stock option exercises	(1,550,000)	--
Stock option compensation expense	1,373,000	2,000
Increase in accounts receivable	(5,018,000)	(6,852,000)
Increase in inventories	(13,148,000)	(10,113,000)
Increase in current liabilities	666,000	11,711,000
Other	1,080,000	(151,000)
Net cash provided by operating activities	46,908,000	35,808,000
Investing Activities:		
Acquisitions and related costs, net of cash acquired	(58,117,000)	(41,500,000)
Capital expenditures	(9,964,000)	(8,273,000)
Other	520,000	3,877,000
Net cash used in investing activities	(67,561,000)	(45,896,000)
Financing Activities:		
Borrowings on revolving credit facility, net	21,000,000	16,000,000
Payments on short-term line of credit, net	(2,000,000)	--
Cash dividends paid	(2,004,000)	(1,224,000)
Proceeds from stock option exercises	5,071,000	1,746,000
Excess tax benefit from stock option exercises	1,550,000	--
Distributions to minority interest owners	(3,306,000)	(653,000)
Other	(26,000)	(647,000)
Net cash provided by financing activities	20,285,000	15,222,000
Effect of exchange rate changes on cash	37,000	(18,000)
Net (decrease) increase in cash and cash equivalents	(331,000)	5,116,000
Cash and cash equivalents at beginning of year	5,330,000	214,000
Cash and cash equivalents at end of year	\$ 4,999,000	\$ 5,330,000
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