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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED JULY 31, 1996

OR

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

For the transition period from ---------- to ---------

Commission file number 1-4604

HEICO CORPORATION
(Exact name of registrant as specified in its charter)

FLORIDA	65-0341002
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3000 TAFT STREET, HOLLYWOOD, FLORIDA	33021
(Address of principal executive offices)	(Zip Code)

(954) 987-6101
(Registrant's telephone number, including area code)

NOT APPLICABLE
(Former name, former address and former fiscal year, if changed since last report)

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[X] No[ ]

The number of shares outstanding of the issuer's common stock, $.01 par value, is 4,776,212 shares as of August 28, 1996.

HEICO CORPORATION

INDEX

PART I. FINANCIAL INFORMATION
HEICO CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS

ASSETS

	JULY 31, 1996 (Unaudited)	OCTOBER 31, 1995
Current assets:		
Cash and cash equivalents	$21,788,000	$4,664,000
Short-term investments	--	2,939,000
Accounts receivable, net	5,126,000	6,709,000
Inventories	6,583,000	5,359,000
Prepaid expenses and other current assets	962,000	1,373,000
Deferred income taxes	1,621,000	1,593,000
Total current assets	36,080,000	22,637,000
Note receivable	10,000,000	--
Property, plant and equipment	18,324,000	24,197,000
Less accumulated depreciation	(13,579,000)	(14,901,000)
Property, plant and equipment, net	4,745,000	9,296,000
Intangible assets less accumulated amortization of $725,000 in 1996 and $1,377,000 in 1995	1,839,000	12,445,000
Investments in and advances to unconsolidated partnerships	--	2,094,000
Other assets	1,148,000	929,000
Total assets	$53,812,000	$47,401,000

LIABILITIES AND SHAREHOLDERS' EQUITY

	JULY 31, 1996 (Unaudited)	OCTOBER 31, 1995
Current liabilities:		
Current maturities of long-term debt	$ 493,000	$ 794,000
Trade accounts payable	1,723,000	1,499,000
Accrued expenses and other current liabilities	4,550,000	5,046,000
Income taxes payable	2,194,000	543,000
Total current liabilities	8,960,000	7,882,000
Long-term debt	2,645,000	7,076,000
Deferred income taxes	1,062,000	1,720,000
Other non-current liabilities	1,274,000	470,000
Minority interests	--	107,000
Commitments and contingencies:		
Shareholders' equity:		
Preferred stock, par value $.01 per share; Authorized - 10,000,000 shares issuable in series; 50,000 designated as Series A Junior Participating Preferred Stock, none issued	--	--
Common stock, $.01 par value; Authorized - 20,000,000 shares; Issued - 4,766,629 shares in 1996 and 4,613,894 shares in 1995	48,000	28,000
Capital in excess of par value	20,524,000	8,371,000
Retained earnings	22,638,000	25,439,000
	43,210,000	33,838,000
Less: Note receivable from employee savings and investment plan	(3,339,000)	(3,692,000)
Total shareholders' equity	39,871,000	30,146,000
Total liabilities and shareholders' equity	$53,812,000	$47,401,000

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS.

HEICO CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS - UNAUDITED

	NINE MONTHS ENDED JULY 31,		THREE MONTHS ENDED JULY 31,	
	1996	1995	1996	1995
Net sales	$22,979,000	$18,690,000	$ 8,059,000	$ 6,904,000
Operating costs and expenses:				
Cost of sales	15,044,000	12,785,000	5,162,000	4,699,000
Selling, general and administrative expenses	5,067,000	4,791,000	1,615,000	1,597,000
Total operating costs and expenses	20,111,000	17,576,000	6,777,000	6,296,000
Income from operations	2,868,000	1,114,000	1,282,000	608,000
Interest expense	(129,000)	(124,000)	(42,000)	(44,000)
Interest and other income	617,000	506,000	259,000	223,000
Income from continuing operations before income taxes	3,356,000	1,496,000	1,499,000	787,000
Income tax expense	1,078,000	523,000	446,000	273,000
Net income from continuing operations	2,278,000	973,000	1,053,000	514,000
Discontinued operations (Note 2):				
Net income from discontinued health care operations, net of applicable income taxes	963,000	969,000	236,000	207,000
Gain on sale of health care operations, net of applicable income taxes	5,264,000	--	5,264,000	--
Net income	$ 8,505,000	$ 1,942,000	$ 6,553,000	$ 721,000
Net income per share:				
From continuing operations	$ .43	$ .21	$ .19	$ .10
From discontinued health care operations	.18	.20	.04	.05
From gain on sale of health care operations	.99	--	.95	--
Net income per share	$1.60	$ .41	$1.18	$ .15
Weighted average number of common and common equivalent shares outstanding	5,315,859	4,753,082	5,568,250	4,963,982
Cash dividends per share	$.095	$.079	$.050	$.041

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS.

HEICO CORPORATION AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS - UNAUDITED

	NINE MONTHS ENDED JULY 31, 1996	NINE MONTHS ENDED JULY 31, 1995
Cash flows from operating activities:		
Net income	$ 8,505,000	$1,942,000
Adjustments to reconcile net income to cash provided by operating activities:		
Gain from sale of health care operations	(5,264,000)	--
Depreciation and amortization	1,808,000	1,653,000
(Income) loss from unconsolidated partnerships	(393,000)	751,000
Minority interest in consolidated partnerships	313,000	43,000
Deferred income taxes	(345,000)	(431,000)
Change in assets and liabilities:		
(Increase) in accounts receivable	(131,000)	(1,141,000)
(Increase) decrease in inventories	(1,224,000)	171,000
(Increase) in prepaid expenses and other current assets	(9,000)	(276,000)
(Decrease) increase in trade payables, accrued expenses and other current liabilities	(52,000)	1,158,000
Increase in income taxes payable	205,000	803,000
Increase in other non-current liabilities	186,000	30,000
Other	--	(113,000)
Net cash provided by operating activities	3,599,000	4,590,000
Cash flows from investing activities:		
Proceeds from sale of health care operations, net of cash sold of $304,000	13,524,000	--
Maturity (purchase) of short-term investments	2,939,000	(943,000)
Purchases of property, plant and equipment	(2,108,000)	(506,000)
Acquisitions:		
Contingent note payments	(1,106,000)	(1,518,000)
Other	--	(14,000)
Distributions from (advances to) unconsolidated partnerships	60,000	(467,000)
Distributions to minority interests	(216,000)	(71,000)
Payments for deferred organization costs	(486,000)	(174,000)
Payment received from employee savings and investment plan note receivable	353,000	286,000
Proceeds from the sale of property, plant and equipment	--	324,000
Other	114,000	41,000
Net cash provided by (used in) investing activities	13,074,000	(3,042,000)
Cash flows from financing activities:		
Proceeds from the issuance of long-term debt	492,000	82,000
Proceeds from the exercise of stock options	1,303,000	461,000
Payments on long-term debt and capital leases	(869,000)	(1,292,000)
Repurchases of common stock	--	(117,000)
Cash dividends paid	(475,000)	(369,000)
Net cash provided by (used in) financing activities	451,000	(1,235,000)
Net increase in cash and cash equivalents	17,124,000	313,000
Cash and cash equivalents at beginning of year	4,664,000	5,030,000
Cash and cash equivalents at end of period	$21,788,000	$5,343,000

SEE NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS.

HEICO CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS - UNAUDITED
July 31, 1996

1. The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with the instructions to Form 10-Q and therefore do not include all information and footnotes normally included in annual consolidated financial statements and should be read in conjunction with the financial statements and notes thereto included in the Company's latest Annual Report on Form 10-K for the year ended October 31, 1995. In the opinion of management, the unaudited consolidated condensed financial statements contain all adjustments (consisting of only normal recurring accruals) necessary for a fair presentation of the consolidated condensed balance sheets and consolidated condensed statements of operations and cash flow for such interim periods presented. The results of operations for the nine months ended July 31, 1996 are not necessarily indicative of the results which may be expected for the entire fiscal year.

2. On July 11, 1996, the Company consummated the sale of all of the outstanding capital stock of its wholly-owned subsidiary MediTek Health Corporation ("MediTek"), representing the Company's health care services segment, to U.S. Diagnostic Labs, Inc. ("USDL"), effective as of July 1, 1996. In consideration for the sale of MediTek, the Company received $13,828,000 in cash and a five-year, 6-1/2% promissory note (the "Convertible Note") in the principal amount of $10,000,000, which is convertible, at the option of the Company, into 1,081,081 shares of USDL common stock.

In order to assure the Company's liquidity with respect to the Convertible Note and the USDL common stock into which it is convertible, USDL (i) granted the Company demand and piggy-back registration rights with respect to such shares of USDL common stock, and (ii) agreed to prepay the Convertible Note at the Company's request at any time until such registration is completed. The terms of such demand registration rights require USDL to use its best efforts to cause a registration statement covering all of the USDL common stock into which the Convertible Note is convertible to be declared effective by the Securities and Exchange

Commission by January 1, 1997. The terms of such piggy-back registration rights give the Company rights to include such USDL common stock in certain registration statements filed by USDL from January 1, 1997 until January 1, 2000. Upon 15 days' prior written notice, USDL may require the Company to convert the Convertible Note into USDL common stock at any time beginning on the later of June 30, 1997 or the date that such shares of USDL common stock have been registered, if the closing price of the USDL common stock has averaged at least $9.25 per share for the immediately preceding ten trading days. Also, beginning on June 30, 1997, USDL may prepay the Convertible Note at any time upon 60 days' prior written notice.

The sale of MediTek resulted in a gain in the third quarter of fiscal 1996 of $5,264,000, net of expenses of the sale of $1.6 million and applicable income taxes of $1.5 million. MediTek's results of operations for fiscal 1996 and 1995 have been reported separately as discontinued operations in the Consolidated Condensed Statement of Operations. No amounts for the discontinued operations are included in the July 31, 1996 Consolidated Condensed Balance Sheet.

The condensed statement of operations related to the discontinued health care services segment for the nine and three months ended July 31, 1996 and 1995 are presented below:

	NINE MONTHS ENDED JULY 31,		THREE MONTHS ENDED JULY 31,	
	1996	1995	1996	1995
Net revenues	$11,382,000	$11,035,000	$ 3,042,000	$ 3,543,000
Income before income taxes	$ 1,680,000	$ 1,703,000	$ 413,000	$ 407,000
Income tax expense	717,000	734,000	177,000	200,000
Net income	$ 963,000	$ 969,000	$ 236,000	$ 207,000

3. Accounts receivable are composed of the following:

	JULY 31, 1996	OCTOBER 31, 1995
Accounts receivable	$ 5,449,000	$ 9,531,000
Less allowance for doubtful accounts	(323,000)	(1,174,000)
Less contractual allowances	--	(1,648,000)
Accounts receivable, net	$ 5,126,000	$ 6,709,000

Inventories are comprised of the following:

	JULY 31, 1996	OCTOBER 31, 1995
Finished products	$ 2,472,000	$ 2,534,000
Work in process	2,020,000	1,721,000
Materials, parts, assemblies and supplies	2,091,000	1,104,000
Total inventories	$ 6,583,000	$ 5,359,000

Revenues, inventory and receivable amounts set forth in the accompanying consolidated condensed financial statements do not include any material amounts related to long-term contracts.

4. On June 14, 1996, the Company's Board of Directors declared a 10% dividend paid in common stock on July 26, 1996 to shareholders of record on July 12, 1996. In addition, the Company distributed a 3-for-2 split of common shares in April 1996 effected as a 50% stock dividend. All net income per share, dividend per share and common shares outstanding information has been restated to reflect the 10% stock dividend and the 3-for-2 stock split as well as a 10% stock dividend paid February 1996.

5. Net income per share is calculated on the basis of the weighted average number of common shares outstanding during each period plus common share equivalents arising from the assumed exercise of stock options, if dilutive.

6. Supplemental disclosures of cash flow information for the nine months ended July 31, 1996 and 1995 are as follows:

Cash paid for interest was $208,000 and $270,000 in fiscal 1996 and 1995, respectively. Cash paid for income taxes was $1,936,000 and $737,000 in fiscal 1996 and 1995, respectively;

Fiscal 1996 non-cash investing and financing activities include the receipt of the $10,000,000 Convertible Note as partial consideration for the sale of MediTek (see Note 2) and purchases of property, plant and equipment of $1,343,000 which were financed by long-term debt;

Prior to the sale of MediTek in fiscal 1996, equipment under capital leases with a net book value of $1,389,000, an associated intangible asset of $308,000 and associated other assets and liabilities of $93,000 were written off along with the corresponding capital lease liabilities of $1,790,000 as the leases were terminated by MediTek;

During fiscal 1995, non-cash investing and financing activities included purchases of property, plant and equipment of $2,269,000, investments in and advances to unconsolidated partnerships of $639,000 and deferred charges of $645,000 which were financed by capital leases assumed and distributions from an unconsolidated partnership during fiscal 1995; and

In fiscal 1996 and 1995, retained earnings were charged $10,836,000 and $3,242,000, respectively, as a result of stock dividends and a stock split.

7. In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation (SFAS No. 123). SFAS No. 123 does not rescind or interpret existing accounting rules for employee stock-based arrangements. Under SFAS No. 123, the Company may continue to follow existing rules to recognize and measure compensation, but will now be required to disclose the pro forma amounts of net income and earnings per share that would have to be reported had the Company elected to follow the "fair value" recognition provisions of SFAS No. 123. SFAS No. 123 will apply to the Company for the year ending October 31, 1997. The Company has not determined whether it will elect to recognize and measure compensation expense under SFAS No. 123 and its effect, if any, on the Company's financial position or results of operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
For the nine months ended July 31, 1996 and 1995

RESULTS OF CONTINUING OPERATIONS

Fiscal 1996 third quarter net income from continuing operations of $1,053,000 ($.19 per share) increased 105% over fiscal 1995 third quarter net income from continuing operations of $514,000 ($.10 per share). Fiscal 1996 third quarter net sales totaled $8,059,000, representing a 17% increase over sales of $6,904,000 in the third quarter of fiscal 1995.

For the first nine months of fiscal 1996, net sales and net income from continuing operations totaled $22,979,000 and $2,278,000 ($.43 per share), respectively, representing a 23% increase over sales of $18,690,000 in the first nine months of fiscal 1995 and a 134% increase over net income from continuing operations of $973,000 ($.21 per share) in the first nine months of fiscal 1995.

The improved fiscal 1996 operating results are primarily attributable to increased sales volume of jet engine replacement parts to the Company's commercial airline industry customers and improved profit margins as discussed below.

The Company's backlog totaled approximately $19 million as of July 31, 1996, including $10 million representing forecasted shipments over the next 12 months for certain contracts pursuant to which customers provide estimated annual usage. The current backlog increased from $15.5 million as of July 31, 1995 and declined from $23 million as of October 31, 1995. The increase in current backlog over that of July 31, 1995 is principally due to increased demand and sales incentives offered by the Company. The decrease in current backlog from that of October 31, 1995 is principally due to expiration of certain customer contracts which have been replaced by orders pursuant to shorter term purchase orders.

The Company's gross profit margins averaged 34.5% for the first nine months of fiscal 1996 and 35.9% in the third quarter of fiscal 1996, as compared to 31.6% and 31.9%, respectively, in the comparable nine-month and three-month periods of fiscal 1995. The improvement in gross profit margins in the current year reflects both favorable product mix and manufacturing cost reductions.

Selling, general and administrative expenses in the first nine months of fiscal 1996 increased $276,000 over amounts in the same period of fiscal 1995 due principally to increased general corporate expenses. However, selling, general and administrative expenses declined as a percentage of consolidated net sales to 22.1% and 20.0%, respectively, in the first nine months and third quarter of fiscal 1996, down from 25.6% and 23.1%, respectively, in the comparable nine-month and three-month periods of fiscal 1995.

Income from operations, which totaled $2,868,000 for the first nine months of fiscal 1996 and $1,282,000 for the third quarter of fiscal 1996, increased $1,754,000 and $674,000, respectively, over the same nine-month and three-month periods of last year. The increases reflect the aforementioned sales increases and gross profit margin improvements.

Interest and other income increased $111,000 from $506,000 in the first nine months of fiscal 1995 to $617,000 in the first nine months of the current year and increased $36,000 from $223,000 in the third quarter of fiscal 1995 to $259,000 in the third quarter of fiscal 1996 due principally to an increase in invested cash and the interest income from the $10 million Convertible Note received in July 1996 as partial consideration for the sale of MediTek. See Note 2 of the Notes to Consolidated Condensed Financial Statements for further information regarding the sale of MediTek.

The Company's effective tax rate on continuing operations decreased from 35.0% for the first nine months of fiscal 1995 to 32.1% in the first nine months of fiscal 1996 primarily due to the increased impact of tax benefits on higher amounts of export sales.

The net income from discontinued operations for the nine and three months ended July 31, 1996 was $963,000 and $236,000, respectively, and approximated the level of net income from the discontinued operations in the same periods of fiscal 1995. Net revenues of the health care operations for the nine and three months ended July 31, 1996 totalled $11.4 million and $3.0 million, respectively. Such amounts represent the net sales of MediTek through the effective date of sale, July 1, 1996.

LIQUIDITY AND CAPITAL RESOURCES

During the first nine months of fiscal 1996, net cash provided by operating activities totaled $3.6 million as compared to $4.6 million in the first nine months of fiscal 1995. Net cash provided by operations in the first nine months of fiscal 1996 declined by approximately $1 million as compared with the first nine months of last year primarily as a result of planned increases in inventories to meet customer delivery requirements.

The Company's principal investing activities during the first nine months of fiscal 1996 were the receipt of $13.5 million of cash as partial consideration for the sale of MediTek, maturity of short-term investments of $2.9 million, purchases of property, plant and equipment of $2.1 million and contingent note payments of $1.1 million related to MediTek's acquisitions prior to its sale.

The Company's principal financing activities during the first nine months of fiscal 1996 were the receipt of $1.3 million from the exercise of Company stock options and scheduled payments of $.9 million on long-term debt.

As discussed in Note 2 of the Notes to Consolidated Condensed Financial Statements, the Company has the right to demand prepayment of the $10 million Convertible Note received in connection with the sale of MediTek until such time as the common stock into which the note is convertible has been registered.

There have been no other material changes in the liquidity or the capital resources of the Company since the end of fiscal 1995.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There have been no material developments in previously reported litigation involving the Company and its subsidiaries.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibit 11 - Computation of earnings per share.

Exhibit 27 - Financial Data Schedule (for SEC use only).

(b) The only report on Form 8-K filed by the Company during the three months ended July 31, 1996 was dated July 11, 1996 and reported under Item 2, "Acquisition or Disposition of Assets," the sale of all of the outstanding capital stock of its wholly-owned subsidiary MediTek Health Corporation.

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.

HEICO CORPORATION
(Registrant)

AUGUST 28, 1996	BY /s/THOMAS S. IRWIN
Date	Thomas S. Irwin, Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

HEICO CORPORATION AND SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE

	1996 (2) PRIMARY	1996 (2) FULLY DILUTED	1995 (2) PRIMARY	1995 (2) FULLY DILUTED
Nine months ended July 31:				
Weighted average number of common shares outstanding	4,698,134	4,698,134	4,555,766	4,555,766
Common Stock equivalents arising from dilutive stock options (1)	617,725	643,871	197,316	257,048
	5,315,859	5,342,005	4,753,082	4,812,814
Net income per share:				
From continuing operations	$0.43	$0.43	$0.21	$0.20
From discontinued operations	0.18	0.18	0.20	0.20
From gain on sale of discontinued operations	0.99	0.98	--	--
Net income per share	$1.60	$1.59	$0.41	$0.40
Three months ended July 31:				
Weighted average number of common shares outstanding	4,761,737	4,761,737	4,587,498	4,587,498
Common Stock equivalents arising from dilutive stock options (1)	806,513	806,513	376,484	376,484
	5,568,250	5,568,250	4,963,982	4,963,982
Net income per share:				
From continuing operations	$0.19	$0.19	$0.10	$0.10
From discontinued operations	0.04	0.04	0.05	0.05
From gain on sale of discontinued operations	0.95	0.95	--	--
Net income per share	$1.18	$1.18	$0.15	$0.15

(1) Computed under the "treasury stock" method using the average market price for the primary computation and using the higher of average or ending market prices for the fully diluted computation.

(2) All of the following information has been restated to reflect the 10% stock dividend paid on July 26, 1996 and the three-for-two split of common shares distributed in April 1996 as well as a 10% stock dividend paid in February 1996 (see Note 4 to the Consolidated Condensed Financial Statements).

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Apr-30-1996
Jul-31-1996
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