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, 2003

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

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 __

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes __ No X

The number of shares outstanding of each of the Registrant's classes of common stock as of August 25, 2003:

Common Stock, $.01 par value	9,650,534 shares
Class A Common Stock, $.01 par value	11,698,827 shares

HEICO CORPORATION

INDEX TO QUARTERLY REPORT

PART I. Item 1. FINANCIAL INFORMATION
HEICO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS - UNAUDITED

	July 31, 2003	October 31, 2002
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,735,000	$ 4,539,000
Accounts receivable, net	27,319,000	28,407,000
Inventories	53,687,000	54,514,000
Prepaid expenses and other current assets	7,123,000	7,811,000
Deferred income taxes	3,643,000	3,295,000
Total current assets	96,507,000	98,566,000
Property, plant and equipment, net	40,145,000	40,059,000
Goodwill, net	188,677,000	187,677,000
Other assets	10,316,000	10,030,000
Total assets	$ 335,645,000	$ 336,332,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ 34,000	$ 6,756,000
Trade accounts payable	6,912,000	7,640,000
Accrued expenses and other current liabilities	13,446,000	14,935,000
Income taxes payable	545,000	--
Total current liabilities	20,937,000	29,331,000
Long-term debt, net of current maturities	43,985,000	49,230,000
Deferred income taxes	9,446,000	6,240,000
Other non-current liabilities	5,854,000	6,154,000
Total liabilities	80,222,000	90,955,000
Minority interests in consolidated subsidiaries	39,966,000	38,313,000
Commitments and contingencies (Notes 17 and 18)		
Shareholders' equity:		
Preferred Stock, par value $.01 per share; Authorized - 10,000,000 shares issuable in series; 200,000 shares designated as Series A Junior Participating Preferred Stock, none issued	--	--
Common Stock, $.01 par value; Authorized - 30,000,000 shares; Issued and Outstanding - 9,617,591 and 9,380,174 shares, respectively	96,000	94,000
Class A Common Stock, $.01 par value; Authorized - 30,000,000 shares; Issued and Outstanding - 11,698,827 and 11,570,195 shares, respectively	117,000	116,000
Capital in excess of par value	154,613,000	153,847,000
Retained earnings	65,631,000	58,007,000
	220,457,000	212,064,000
Less: Note receivable secured by Class A Common Stock	(5,000,000)	(5,000,000)
Total shareholders' equity	215,457,000	207,064,000
Total liabilities and shareholders' equity	$ 335,645,000	$ 336,332,000

SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED.

HEICO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED

	Nine months ended July 31,		Three months ended July 31,	
	2003	2002	2003	2002
Net sales	$ 128,791,000	$ 126,600,000	$ 45,412,000	$ 42,587,000
Operating costs and expenses:				
Cost of sales	85,978,000	81,455,000	30,276,000	27,651,000
Selling, general and administrative expenses	26,252,000	28,426,000	9,035,000	9,982,000
Total operating costs and expenses	112,230,000	109,881,000	39,311,000	37,633,000
Operating income	16,561,000	16,719,000	6,101,000	4,954,000
Interest expense	(937,000)	(1,735,000)	(307,000)	(473,000)
Interest and other income	106,000	104,000	17,000	12,000
Gain on sale of product line	--	1,230,000	--	--
Income before income taxes and minority interests	15,730,000	16,318,000	5,811,000	4,493,000
Income tax expense	5,605,000	5,672,000	2,107,000	1,472,000
Income before minority interests	10,125,000	10,646,000	3,704,000	3,021,000
Minority interests in consolidated subsidiaries	1,443,000	1,019,000	464,000	192,000
Net income	$ 8,682,000	$ 9,627,000	$ 3,240,000	$ 2,829,000
Net income per share:				
Basic	$ .41	$ .46	$ .15	$ .14
Diluted	$ .39	$ .43	$ .15	$ .13
Weighted average number of common shares outstanding:				
Basic	21,042,765	20,890,792	21,122,443	20,944,797
Diluted	22,190,241	22,575,196	22,239,765	22,532,844
Cash dividends per share	$ .050	$ .050	$ .025	$ .025

SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED.

HEICO CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - UNAUDITED

	Nine months ended July 31, 2003	Nine months ended July 31, 2002
Operating Activities:		
Net income	$ 8,682,000	$ 9,627,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,754,000	3,345,000
Gain on sale of product line	--	(1,230,000)
Deferred income tax provision	2,858,000	3,053,000
Minority interests in consolidated subsidiaries	1,443,000	1,019,000
Tax benefit from exercise of stock options	350,000	2,675,000
Changes in assets and liabilities, net of acquisitions:		
Decrease in accounts receivable	1,400,000	6,607,000
Decrease (increase) in inventories	1,258,000	(4,434,000)
Decrease (increase) in prepaid expenses and other current assets	761,000	(2,127,000)
Decrease in trade accounts payables, accrued expenses and other current liabilities	(2,869,000)	(3,454,000)
Increase (decrease) in income taxes payable	545,000	(564,000)
Other	(71,000)	86,000
Net cash provided by operating activities	18,111,000	14,603,000
Investing Activities:		
Capital expenditures	(3,137,000)	(5,031,000)
Acquisitions and related costs, net of cash acquired	(1,530,000)	(5,770,000)
Payment received from employee savings and investment plan note receivable	--	648,000
Other	197,000	191,000
Net cash used in investing activities	(4,470,000)	(9,962,000)
Financing Activities:		
Payments on revolving credit facilities, net	(12,000,000)	(3,000,000)
Proceeds from exercise of stock options	535,000	436,000
Cash dividends paid	(1,055,000)	(1,045,000)
Other	(925,000)	(25,000)
Net cash used in financing activities	(13,445,000)	(3,634,000)
Net increase in cash and cash equivalents	196,000	1,007,000
Cash and cash equivalents at beginning of year	4,539,000	4,333,000
Cash and cash equivalents at end of period	$ 4,735,000	$ 5,340,000

SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED.

HEICO CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

1. The accompanying unaudited condensed consolidated financial statements of HEICO Corporation and its subsidiaries (the Company) have been prepared in conformity with accounting principles generally accepted in the United States of America for interim financial information and in accordance with the instructions to Form 10-Q. Therefore, the condensed consolidated financial statements do not include all information and footnotes normally included in annual consolidated financial statements and should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's latest Annual Report on Form 10-K for the year ended October 31, 2002. The October 31, 2002 condensed consolidated balance sheet has been derived from the Company's audited consolidated financial statements. In the opinion of management, the unaudited condensed consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary for a fair presentation of the condensed consolidated balance sheets, statements of operations and cash flows for such interim periods presented. The results of operations for the nine months ended July 31, 2003 are not necessarily indicative of the results which may be expected for the entire fiscal year.

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year presentation.

2. The Company accounts for stock-based employee compensation using the intrinsic value method prescribed by Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations. Accordingly, compensation expense has been recorded in the accompanying consolidated financial statements for those options granted below fair market value of the underlying stock on the date of grant. The following table illustrates the pro forma effects on net income and net income per share as if the Company had applied the fair-value recognition provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," to stock-based employee compensation. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model.

	Nine months ended July 31,		Three months ended July 31,	
	2003	2002	2003	2002
Net income, as reported	$ 8,682,000	$ 9,627,000	$ 3,240,000	$ 2,829,000
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	3,000	30,000	1,000	9,000
Deduct: Total stock-based employee compensation expense determined under fair value method for all awards, net of related tax effects	(1,280,000)	(2,636,000)	(416,000)	(1,689,000)
Pro forma net income	$ 7,405,000	$ 7,021,000	$ 2,825,000	$ 1,149,000
Net income per share:				
Basic - as reported	$ .41	$ .46	$ .15	$ .14
Basic - pro forma	$ .35	$ .34	$ .13	$ .05
Diluted - as reported	$ .39	$ .43	$ .15	$ .13
Diluted - pro forma	$ .33	$ .31	$ .13	$ .05

3. Accounts receivable are composed of the following:

	July 31, 2003	October 31, 2002
Accounts receivable	$ 28,830,000	$ 30,029,000
Less: Allowance for doubtful accounts	(1,511,000)	(1,622,000)
Accounts receivable, net	$ 27,319,000	$ 28,407,000

4. Costs and estimated earnings on uncompleted percentage-of-completion contracts are as follows:

	July 31, 2003	October 31, 2002
Costs incurred on uncompleted contracts	$ 7,561,000	$ 4,453,000
Estimated earnings	5,673,000	4,252,000
	13,234,000	8,705,000
Less: Billings to date	(11,705,000)	(8,551,000)
	$ 1,529,000	$ 154,000
Included in accompanying condensed consolidated balance sheets under the following captions:		
Accounts receivable, net (costs and estimated earnings in excess of billings)	$ 2,339,000	$ 1,737,000
Accrued expenses and other current liabilities (billings in excess of costs and estimated earnings)	(810,000)	(1,583,000)
	$ 1,529,000	$ 154,000

Changes in estimates on long-term contracts accounted for under the percentage-of-completion method did not have a significant impact on net income and diluted net income per share in the nine and three months ended July 31, 2003 and 2002.

5. Inventories are composed of the following:

	July 31, 2003	October 31, 2002
Finished products	$ 30,363,000	$ 32,501,000
Work in process	9,468,000	8,603,000
Materials, parts, assemblies and supplies	13,856,000	13,410,000
Total inventories	$ 53,687,000	$ 54,514,000

Inventories related to long-term contracts were not significant as of July 31, 2003 and October 31, 2002.

6. Property, plant and equipment are composed of the following:

	July 31, 2003	October 31, 2002
Land	$ 2,627,000	$ 2,627,000
Building and improvements	22,297,000	20,846,000
Machinery and equipment	43,537,000	41,739,000
Construction in progress	1,654,000	1,702,000
	70,115,000	66,914,000
Less: Accumulated depreciation	(29,970,000)	(26,855,000)
Property, plant and equipment, net	$ 40,145,000	$ 40,059,000

7. The Company has two operating segments: the Flight Support Group (FSG) and the Electronic Technologies Group (ETG). The changes in the carrying amount of goodwill by operating segment for the nine months ended July 31, 2003 are as follows:

	Segment		Consolidated
	FSG	ETG	Total
Balances as of October 31, 2002	$ 118,706,000	$ 68,971,000	$ 187,677,000
Goodwill acquired during the year	400,000	--	400,000
Adjustments to goodwill	600,000	--	600,000
Balances as of July 31, 2003	$ 119,706,000	$ 68,971,000	$ 188,677,000

The goodwill acquired during the year is a result of the Company's acquisition through a subsidiary, of substantially all of the assets and business of an unrelated entity. The purchase price was not significant to the Company's consolidated financial statements. Adjustments to goodwill consist primarily of contingent purchase price payments to previous owners of acquired businesses.

8. Other intangible assets are recorded within the caption "Other Assets" in the Company's consolidated balance sheet. Other intangible assets subject to amortization consist primarily of licenses, patents, and non-compete covenants. The gross carrying amount and accumulated amortization of other intangible assets was $1,352,000 and $116,000, respectively, as of July 31, 2003. Amortization expense of other

intangible assets for the nine months and three months ended July 31, 2003 was $68,000 and $22,000, respectively. Amortization expense of other intangible assets for the fiscal year ending October 31, 2003 is estimated to be $99,000. Amortization expense for each of the next five fiscal years is estimated to be $107,000 in fiscal 2004, $107,000 in fiscal 2005, $107,000 in fiscal 2006, $106,000 in fiscal 2007 and $105,000 in fiscal 2008.

9. Long-term debt consists of:

	July 31, 2003	October 31, 2002
Borrowings under revolving credit facility	$ 42,000,000	$ 54,000,000
Industrial Development Revenue Refunding Bonds - Series 1988	1,980,000	1,980,000
Capital leases and equipment loans	39,000	6,000
	44,019,000	55,986,000
Less: Current maturities of long-term debt	(34,000)	(6,756,000)
	$ 43,985,000	$ 49,230,000

As of July 31, 2003 and October 31, 2002, the Company had a total of $42 million and $54 million, respectively, borrowed under its respective $120 million revolving credit facilities at weighted average interest rates of 2.6% and 2.9%, respectively. As explained in Note 10, the Company replaced its former credit facility in May 2003.

The interest rates on the Series 1988 industrial development revenue bonds were ..9% and 1.9% as of July 31, 2003 and October 31, 2002, respectively.

10. In May 2003, the Company entered into a new $120 million revolving credit agreement (new Credit Facility) with a bank syndicate, which contains both revolving credit and term loan features. Borrowings outstanding under the previous credit facility were repaid with borrowings under the new Credit Facility, which expires in May 2006. The new Credit Facility may be used for working capital and general corporate needs of the Company, including letters of credit, and to finance acquisitions (generally not in excess of an aggregate total of $30 million over any trailing twelve-month period without the requisite approval of the bank syndicate). The Company has the option to extend the revolving credit term for two one-year periods or to convert outstanding advances as of the initial expiration date to term loans amortizing over the subsequent twelve-month period subject to requisite bank syndicate approval. Advances under the new Credit Facility accrue interest at the Company's choice of the London Interbank Offered Rate (LIBOR), or the "Base Rate," plus applicable margins (based on the Company's ratio of total funded debt to earnings before interest, taxes, depreciation and amortization, or "leverage ratio"). The Base Rate is the higher of (i) the Prime Rate or (ii) the Federal Funds rate plus .50%. The applicable margins range from 1.00% to 2.25% for LIBOR based borrowings and from .00% to .75% for Base Rate based borrowings. A fee is charged on the amount of the unused commitment ranging from .25% to .50% (depending on the leverage ratio of the Company). The new Credit Facility is secured by all assets other than real property of the Company and its subsidiaries and contains covenants which require, among other things, the maintenance of the leverage ratio and a fixed charge coverage ratio as well as minimum net worth requirements.

11. The Company adopted FASB Interpretation No. 45 (FIN 45), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others,"

effective as of its first quarter of fiscal 2003. FIN 45 requires, among other things as further detailed in Note 19, disclosures to be made by a guarantor about its obligations under certain guarantees that it has issued. Such disclosures for the Company are set forth below.

The Company has arranged for standby letters of credit aggregating to $1.2 million to meet the security requirement of its insurance company for potential workers' compensation claims and one of the Company's subsidiaries has guaranteed its performance related to a customer contract through a $0.5 million letter of credit expiring July 2004. These letters of credit are supported by the Company's Credit Facility. In addition, the Company's industrial development revenue bonds are secured by a $2.0 million letter of credit expiring February 2004 and a mortgage on the related properties pledged as collateral.

The Company's accounting policy for product warranties is to accrue an estimated liability at the time of shipment. Warranty reserves are included in the Company's condensed consolidated balance sheets under the caption "Accrued expenses and other current liabilities." The amount recognized is based on historical claims cost experience. Changes in the product warranty liability for the nine months ended July 31, 2003 are as follows:

Balance as of October 31, 2002	$ 685,000
Accruals for warranties issued during the period	133,000
Warranty claims settled during the period	(126,000)
Balance as of July 31, 2003	$ 692,000

12. Changes in consolidated shareholders' equity for the nine months ended July 31, 2003 are as follows:

	Common Stock	Class A Common Stock	Capital in Excess of Par Value	Retained Earnings	Note Receivable
Balances as of October 31, 2002	$ 94,000	$ 116,000	$ 153,847,000	$ 58,007,000	$ (5,000,000)
Net income to date				8,682,000	
Cash dividends ($.05 per share)				(1,055,000)	
Tax benefit for stock option exercises			350,000		
Exercises of stock options	2,000	1,000	532,000		
Repurchases of stock			(120,000)		
Other			4,000	(3,000)	
Balances as of July 31, 2003	$ 96,000	$ 117,000	$ 154,613,000	$ 65,631,000	$ (5,000,000)

13. For the nine months ended July 31, 2003 and 2002, cost of sales amounts included approximately $6.5 million and $8.2 million, respectively, of new product research and development expenses. New product research and development expenses for the three months ended July 31, 2003 and 2002 were $2.3 million and $3.0 million, respectively. The expenses for the fiscal 2003 and fiscal 2002 periods are net of reimbursements pursuant to research and development cooperation and joint venture agreements. The reimbursements pursuant to such agreements were not significant.

14. The following table sets forth the computation of basic and diluted net income per share:

	Nine months ended July 31, 2003	Nine months ended July 31, 2002	Three months ended July 31, 2003	Three months ended July 31, 2002
Numerator:				
Net income	$ 8,682,000	$ 9,627,000	$ 3,240,000	$ 2,829,000
Denominator:				
Weighted average common shares outstanding - basic	21,042,765	20,890,792	21,122,443	20,944,797
Effect of dilutive stock options	1,147,476	1,684,404	1,117,322	1,588,047
Weighted average common shares outstanding - diluted	22,190,241	22,575,196	22,239,765	22,532,844
Net income per share - basic	$ .41	$ .46	$ .15	$ .14
Net income per share - diluted	$ .39	$ .43	$ .15	$ .13
Anti-dilutive stock options excluded	2,172,352	1,020,216	2,121,484	1,300,918

15. Comprehensive income consists of:

	Nine months ended July 31, 2003	Nine months ended July 31, 2002	Three months ended July 31, 2003	Three months ended July 31, 2002
Net income	$ 8,682,000	$ 9,627,000	$ 3,240,000	$ 2,829,000
Other comprehensive income (loss):				
Interest rate swap gain adjustment	--	370,000	--	--
Tax expense	--	(144,000)	--	--
Comprehensive income	$ 8,682,000	$ 9,853,000	$ 3,240,000	$ 2,829,000

16. Information by operating segment for the nine months and three months ended July 31, 2003 and 2002, respectively, for the Flight Support Group (FSG), consisting of HEICO Aerospace Holdings Corp. and its subsidiaries, and the Electronic Technologies Group (ETG), consisting of HEICO Electronic Technologies Corp. and its subsidiaries, is as follows:

	Segment		Other, Primarily Corporate and Intersegment	Consolidated Totals
	FSG	ETG		
For the nine months ended July 31, 2003:				
Net sales	$ 95,004,000	$ 34,102,000	$ (315,000)	$ 128,791,000
Depreciation and amortization	2,434,000	1,012,000	308,000	3,754,000
Operating income	14,336,000	5,374,000	(3,149,000)	16,561,000
Capital expenditures	902,000	2,231,000	4,000	3,137,000
For the nine months ended July 31, 2002:				
Net sales	$ 88,316,000	$ 38,734,000	$ (450,000)	$ 126,600,000
Depreciation and amortization	2,266,000	860,000	219,000	3,345,000
Operating income	11,683,000	8,789,000	(3,753,000)	16,719,000
Capital expenditures	2,775,000	1,461,000	795,000	5,031,000
For the three months ended July 31, 2003:				
Net sales	$ 32,742,000	$ 12,814,000	$ (144,000)	$ 45,412,000
Depreciation and amortization	795,000	375,000	155,000	1,325,000
Operating income	4,797,000	2,702,000	(1,398,000)	6,101,000
Capital expenditures	366,000	428,000	--	794,000
For the three months ended July 31, 2002:				
Net sales	$ 29,724,000	$ 12,970,000	$ (107,000)	$ 42,587,000
Depreciation and amortization	799,000	295,000	70,000	1,164,000
Operating income	3,577,000	2,698,000	(1,321,000)	4,954,000
Capital expenditures	582,000	337,000	765,000	1,684,000

17. The Company is involved in various legal actions arising in the normal course of business. Based upon the amounts sought by the plaintiffs in these actions, management is of the opinion that the outcome of these matters will not have a significant effect on the Company's condensed consolidated financial statements.

18. As partial consideration in the acquisition of Inertial Airline Services, Inc. (IAS) in August 2001, the Company issued $5 million in HEICO Class A Common Stock (289,964 shares) and guaranteed that the resale value of such Class A Common Stock would be at least $5 million through August 31, 2002, which both parties agreed to extend to August 31, 2003. Based on the closing market price of HEICO Class A Common Stock on July 31, 2003, the Company would have had to pay the seller an additional amount of approximately $2.3 million in cash, which would have been recorded as a reduction of shareholders' equity. Concurrent with the purchase, the Company loaned the seller $5 million, which is due August 31, 2003 and is secured by the 289,964 shares of HEICO Class A Common Stock. The loan is reflected as a reduction in the equity section of the Company's consolidated balance sheet as a note receivable secured by Class A Common Stock.

19. On November 1, 2002, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 supercedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed of." SFAS No. 144 applies to all long-lived assets (including discontinued operations) and consequently amends Accounting Principles Board (APB) Opinion No. 30, "Reporting Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." SFAS No. 144 develops one accounting model (based on the model in SFAS No. 121) for long-lived assets that are to be disposed of by sale, as well as addresses the principal implementation issues. SFAS No. 144 requires that long-lived assets that are to be disposed of by sale be measured at the lower of carrying value or fair value less cost to sell. That requirement eliminates the requirement of APB Opinion No. 30 that discontinued operations be measured at net realizable value or that entities include under "discontinued operations" in the financial statements amounts for operating losses that have not yet occurred. Additionally, SFAS No. 144 expands the scope of discontinued operations to include all components of an entity with operations that (1) can be distinguished from the rest of the entity and (2) will be eliminated from the ongoing operations of the entity in a disposal transaction. The adoption of SFAS No. 144 did not have a material effect on the Company's results of operations or financial position.

On November 1, 2002, the Company adopted SFAS No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections." This Statement eliminates the SFAS No. 4, "Reporting Gains and Losses from Extinguishment of Debt," requirement that gains and losses from extinguishment of debt be classified as an extraordinary item, and requires that such gains and losses be evaluated for extraordinary classification under the criteria of APB Opinion No. 30. This statement also amends SFAS No. 13, "Accounting for Leases," to require that certain lease modifications that have economic effects that are similar to sales-leaseback transactions be accounted for in the same manner as sales-leaseback transactions. SFAS No. 145 also makes various other technical corrections to existing pronouncements. The adoption of SFAS No. 145 did not have a material effect on the Company's results of operations or financial position.

In November 2002, the Emerging Issues Task Force (EITF) reached a consensus on Issue No. 00-21, "Revenue Arrangements with Multiple Deliverables" (EITF 00-21). This Issue addresses certain aspects of the accounting by a vendor for arrangements under which it will perform multiple revenue-generating activities. EITF 00-21 provides guidance to determine how arrangement consideration should be measured, whether an arrangement should be divided into separate units of accounting, and how arrangement consideration should be allocated among separate units of accounting. The provisions of EITF 00-21 are effective for revenue arrangements entered into in fiscal periods beginning after June 15, 2003. The Company does not expect the adoption of EITF 00-21 to have a material effect on its results of operations or financial position.

In November 2002, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 45 (FIN 45), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." This Interpretation elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The initial recognition and measurement provisions of this Interpretation are applicable on a prospective basis to guarantees issued or modified after December 31, 2002. The disclosure requirements of FIN 45 are effective for financial statement periods ending after December 15, 2002. The Company adopted FIN 45 effective as of its first quarter of fiscal 2003, which did not have a material effect on the Company's results of operations or financial position. The disclosures made pursuant to FIN 45 may be found in Note 11.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure." This Statement amends SFAS No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock-based compensation. It also amends the disclosure provisions of SFAS No. 123 to require prominent disclosure about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based employee compensation. Finally, SFAS No. 148 amends APB Opinion No. 28, "Interim Financial Reporting," to require disclosure about those effects in interim financial information. The transition guidance and annual disclosure requirements are effective for fiscal years ending after December 15, 2002. The interim disclosure requirements are effective for interim periods beginning after December 15, 2002 and may be found in Note 2.

On January 1, 2003, the Company adopted SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring)." SFAS No. 146 requires recognition of a liability for a cost associated with an exit or disposal activity at fair value when the liability is incurred. Previously, a liability for an exit cost was recognized when the entity committed to an exit plan under EITF Issue No. 94-3. The adoption of SFAS No. 146 did not have a material effect on the Company's results of operations or financial position, but may affect the timing and amounts of the recognition of future restructuring costs.

In January 2003, the FASB issued FASB Interpretation No. 46 (FIN 46), "Consolidation of Variable Interest Entities." This Interpretation clarifies the application of Accounting Research Bulletin No. 51, "Consolidated Financial Statements," to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46 requires an enterprise to consolidate a variable interest entity if that enterprise will absorb a majority of the entity's expected losses, is entitled to receive a majority of the entity's expected residual returns, or both. FIN 46 also requires disclosures about unconsolidated variable interest entities in which an enterprise holds a significant variable interest. FIN 46 is effective for variable interest entities created or entered into after January 31, 2003. It applies in the first fiscal year or interim period beginning after June 15, 2003, to variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. The Company does not expect the adoption of FIN 46 to have a material effect on its results of operations or financial position.

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." This Statement clarifies under what circumstances a contract with an initial net investment meets the characteristics of a derivative, clarifies when a derivative contains a financing component, amends the language of an "underlying" to conform it to language used in FIN 45, and amends certain other existing pronouncements. The provisions of SFAS No. 149 are effective for contracts entered into or modified after June 30, 2003. The adoption of SFAS No. 149 did not have a material effect on the Company's results of operations or financial position.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." This Statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. SFAS No. 150 requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances), which, under previous guidance, may have been classified as equity. The provisions of SFAS No. 150 are effective for financial instruments entered into or modified after May 31, 2003 and otherwise shall be effective at the beginning of the first interim period beginning after June 15, 2003. The Company does not expect the adoption of SFAS No. 150 to have a material effect on its results of operations or financial position.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

This discussion of our financial condition and results of operations should be read in conjunction with our Condensed Consolidated Financial Statements and Notes thereto included herein. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates if different assumptions were used or different events ultimately transpire.

The Company's critical accounting policies, which require management to make judgments about matters that are inherently uncertain, are described in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," under the heading "Critical Accounting Policies" in the Company's 2002 Annual Report on Form 10-K.

The Company has two operating segments: the Flight Support Group (FSG), consisting of HEICO Aerospace Holdings Corp. (HEICO Aerospace) and its subsidiaries, and the Electronic Technologies Group (ETG), consisting of HEICO Electronic Technologies Corp., and its subsidiaries.

RESULTS OF OPERATIONS

The following table sets forth the results of operations, net sales and operating income by operating segment and the percentage of net sales represented by the respective items.

	Nine months ended July 31,		Three months ended July 31,	
	2003	2002	2003	2002
Net sales	$ 128,791,000	$ 126,600,000	$ 45,412,000	$ 42,587,000
Cost of sales	85,978,000	81,455,000	30,276,000	27,651,000
Selling, general and administrative expenses	26,252,000	28,426,000	9,035,000	9,982,000
Total operating costs and expenses	112,230,000	109,881,000	39,311,000	37,633,000
Operating income	$ 16,561,000	$ 16,719,000	$ 6,101,000	$ 4,954,000

	Nine months ended July 31,		Three months ended July 31,	
	2003	2002	2003	2002
Net sales by segment:				
FSG	$ 95,004,000	$ 88,316,000	$ 32,742,000	$ 29,724,000
ETG	34,102,000	38,734,000	12,814,000	12,970,000
Intersegment sales	(315,000)	(450,000)	(144,000)	(107,000)
	$ 128,791,000	$ 126,600,000	$ 45,412,000	$ 42,587,000
Operating income by segment:				
FSG	$ 14,336,000	$ 11,683,000	$ 4,797,000	$ 3,577,000
ETG	5,374,000	8,789,000	2,702,000	2,698,000
Other, primarily corporate	(3,149,000)	(3,753,000)	(1,398,000)	(1,321,000)
	$ 16,561,000	$ 16,719,000	$ 6,101,000	$ 4,954,000
Net sales	100.0%	100.0%	100.0%	100.0%
Gross profit	33.2%	35.7%	33.3%	35.1%
Selling, general and administrative expense	20.4%	22.5%	19.9%	23.4%
Operating income	12.9%	13.2%	13.4%	11.6%
Interest expense	0.7%	1.4%	0.6%	1.1%
Interest and other income	0.1%	0.1%	--	--
Gain on sale of product line	--	1.0%	--	--
Income tax expense	4.4%	4.5%	4.6%	3.5%
Minority interests	1.1%	0.8%	1.0%	0.5%
Net income	6.7%	7.6%	7.1%	6.6%

COMPARISON OF FIRST NINE MONTHS OF FISCAL 2003 TO FIRST NINE MONTHS OF FISCAL 2002

Net Sales

Net sales for the first nine months of fiscal 2003 totaled $128.8 million, compared to net sales of $126.6 million for the first nine months of fiscal 2002. The increase in net sales reflects an increase of $6.7 million (an 8% increase) to $95.0 million in sales from the FSG, partially offset by a decrease of $4.6 million (a 12% decrease) to $34.1 million in sales from the ETG. The FSG sales increase primarily reflects higher commercial aftermarket parts and services sales, principally attributable to sales of new products and services. The decrease in sales within the ETG primarily resulted from a decline in demand from certain foreign military customers.

Gross Profits and Operating Expenses

The Company's gross profit margins averaged 33.2% for the first nine months of fiscal 2003 as compared to 35.7% for the first nine months of fiscal 2002, reflecting lower margins within the ETG, partially offset by higher margins within the FSG. The ETG's gross profit margin decrease was primarily caused by lower foreign military sales and lower sales of other higher margin products. The FSG's gross profit margin increase was principally due to lower new product research and development expenses. Consolidated cost of sales amounts for the first nine months of fiscal 2003 and fiscal 2002 include approximately $6.5 million and $8.2 million, respectively, of new product research and development expenses. The decline in new product research and development expenses is in line with a decrease in the fiscal 2003 budget relative to actual fiscal

2002 expenses.

Selling, general and administrative (SG&A) expenses were $26.3 million and $28.4 million for the first nine months of fiscal 2003 and fiscal 2002, respectively. The decrease in SG&A expenses is mainly due to lower commission expenses within the ETG due to the lower sales discussed previously and lower corporate expenses. Corporate expenses in the first nine months of fiscal 2003 include the reversal of approximately $400,000 of professional fees that were accrued in the fourth quarter of fiscal 2002 pursuant to a contractual arrangement, which was renegotiated in the first quarter of fiscal 2003. As a percentage of net sales, SG&A expenses decreased to 20.4% for the first nine months of fiscal 2003 compared to 22.5% for the first nine months of fiscal 2002. The decrease is due to higher sales volumes within the FSG and the reduction in corporate expenses, partially offset by the lower sales within the ETG.

Operating Income

Operating income of $16.6 million for the first nine months of fiscal 2003 approximated operating income of $16.7 million for the first nine months of fiscal 2002. Operating income in the first nine months of fiscal 2003 reflects an increase from $11.7 million to $14.3 million in the Company's FSG and a $0.6 million reduction in corporate expenses, offset by a decrease from $8.8 million to $5.4 million in the Company's ETG. As a percentage of net sales, operating income decreased slightly from 13.2% in the first nine months of fiscal 2002 to 12.9% in the first nine months of fiscal 2003. The decline in operating income as a percentage of net sales reflects a decrease in the ETG's operating income as a percentage of net sales from 22.7% in the first nine months of fiscal 2002 to 15.8% in the first nine months of fiscal 2003, partially offset by an increase in the FSG's operating income as a percentage of net sales from 13.2% in the first nine months of fiscal 2002 to 15.1% in the first nine months of fiscal 2003. The decrease in the ETG's operating income and operating income as a percentage of net sales reflects the lower sales and gross profit margins discussed previously. The increase in the FSG's operating income and operating income as a percentage of net sales reflects the higher sales and lower new product development expenses discussed previously.

Interest Expense

Interest expense decreased to $.9 million in the first nine months of fiscal 2003 from $1.7 million in the first nine months of fiscal 2002. The decrease was principally due to a lower weighted average balance outstanding under the Company's Credit Facility in fiscal 2003 and lower interest rates.

Interest and Other Income

Interest and other income in the first nine months of fiscal 2003 approximated amounts in the first nine months of fiscal 2002.

Gain on Sale of Product Line

In the second quarter of fiscal 2002, the Company recognized an additional pretax gain of $1,230,000 ($765,000 net of tax or $.03 per diluted share) on the sale of the Trilectron product line due to the elimination of certain reserves upon the expiration of indemnification provisions of the sales contract.

Minority Interests

Minority interests in consolidated subsidiaries represents the minority interests held in HEICO Aerospace. The increase from the first nine months of fiscal 2002 to the first nine months of fiscal 2003 was primarily due to higher earnings of the FSG.

Net Income

The Company's net income was $8.7 million, or $.39 per diluted share, in the first nine months of fiscal 2003 and $9.6 million, or $.43 per diluted share, in the first nine months of fiscal 2002. Net income in the first nine months of fiscal 2002 included the $765,000, or $.03 per share, after tax gain on the sale of the product line referenced above.

OUTLOOK

The Company's sales and earnings in the FSG improved for both the third quarter and first nine months of fiscal 2003 relative to the same periods of fiscal 2002. These improvements are a result of the Company's ongoing new product development efforts and also reflect some recent recovery in the commercial aerospace industry. The end of military conflict in Iraq and the subsiding impact of SARS have positively affected the commercial aerospace industry.

Sales and operating income within the Company's ETG improved in the third quarter of fiscal 2003 by 14% and 42%, respectively, compared to the second quarter of fiscal 2003. These increases reflect the shipments of some of the products whose delivery was delayed in the first half of the year.

Based on the recent strengthening of demand within the commercial aerospace industry and the Company's continued success in introducing new products and services, the Company is now targeting fiscal 2003 earnings at the high end of the previously reported range of $.50 - $.55 per diluted share on sales growth of 2% to 3% over fiscal 2002 sales.

COMPARISON OF THIRD QUARTER OF FISCAL 2003 TO THIRD QUARTER OF FISCAL 2002

Net Sales

Net sales for the third quarter of fiscal 2003 totaled $45.4 million, compared to net sales of $42.6 million for the third quarter of fiscal 2002. The increase in net sales reflects an increase of $3.0 million (a 10% increase) to $32.7 million in sales from the FSG, partially offset by a slight decrease of $0.2 million (a 1% decrease) to $12.8 million in sales from the ETG. The sales increase in the FSG primarily reflects higher commercial aftermarket parts and services sales, principally attributable to sales of new products and services and the recently improved demand within the commercial aerospace industry. Sales within the ETG primarily reflect a decline in demand from certain foreign military customers offset by the shipments of some of the products whose delivery was delayed in the first half of the year.

Gross Profits and Operating Expenses

The Company's gross profit margins averaged 33.3% for the third quarter of fiscal 2003 as compared to 35.1% for the third quarter of fiscal 2002, primarily reflecting lower margins within the ETG. The ETG's gross profit margin decrease was primarily caused by the reduced foreign military sales and lower sales of other higher margin products. Consolidated cost of sales amounts for the third quarter of fiscal 2003 and fiscal 2002 include approximately $2.3 million and $3.0 million, respectively, of new product research and development expenses.

Selling, general and administrative (SG&A) expenses were $9.0 million and $10.0 million for the third quarter of fiscal 2003 and the third quarter of fiscal 2002, respectively. The decrease in SG&A expenses is mainly due to lower commission expenses within the ETG due to the lower sales discussed above. As a percentage of net sales, SG&A expenses decreased to 19.9% for the third quarter of fiscal 2003 compared to 23.4% for the third quarter of fiscal 2002. The decrease is primarily due to the higher sales volumes within the FSG and lower commission expenses within the ETG.

Operating Income

Operating income totaled $6.1 million in the third quarter of fiscal 2003 versus $5.0 million for the third quarter of fiscal 2002. The increase in operating income reflects an increase from $3.6 million to $4.8 million in the Company's FSG. Operating income of the ETG was $2.7 million for the third quarter of fiscal 2003 and 2002. As a percentage of net sales, operating income increased from 11.6% in the third quarter of fiscal 2002 to 13.4% in the third quarter of fiscal 2003. The increase in operating income as a percentage of net sales reflects an increase in the FSG's operating income as a percentage of net sales from 12.0% in the third quarter of fiscal 2002 to 14.7% in the third quarter of fiscal 2003 and a slight increase in the ETG's operating income as a percentage of net sales from 20.8% in the third quarter of fiscal 2002 to 21.1% in the third quarter of fiscal 2003. The increase in the FSG's operating income and operating income as a percentage of net sales reflects the higher sales and lower new product development expenses discussed previously.

Interest Expense

Interest expense decreased $166,000 from $473,000 in the third quarter of fiscal 2002 to $307,000 in the third quarter of fiscal 2003. The decrease was principally due to a lower weighted average balance outstanding under the Company's Credit Facility in the third quarter of fiscal 2003 and lower interest rates.

Interest and Other Income

Interest and other income in the third quarter of fiscal 2003 approximated amounts in the third quarter of fiscal 2002.

Minority Interests

Minority interests in consolidated subsidiaries represents the minority interests held in HEICO Aerospace. The increase from the third quarter of fiscal 2002 to the third quarter of fiscal 2003 was primarily due to higher earnings of the FSG.

Net Income

The Company's net income was $3.2 million, or $.15 per diluted share, in the third quarter of fiscal 2003 and $2.8 million, or $.13 per diluted share, in the third quarter of fiscal 2002.

LIQUIDITY AND CAPITAL RESOURCES

The Company generates cash primarily from its operating activities and financing activities, including borrowings under long-term credit agreements.

Principal uses of cash by the Company include payments of interest and principal on debt, capital expenditures, acquisitions and increases in working capital.

The Company believes that its operating cash flow and available borrowings under the Company's Credit Facility will be sufficient to fund cash requirements for the foreseeable future.

Operating Activities

The Company's cash flow from operating activities was $18.1 million for the first nine months of fiscal 2003, consisting primarily of net income of $8.7 million, depreciation and amortization of $3.8 million, a deferred income tax provision of $2.9 million, minority interests in consolidated subsidiaries of $1.4 million, and a decrease in net operating assets of $1.0 million.

Investing Activities

Cash used in investing activities during the first nine months of fiscal 2003 related primarily to capital expenditures totaling $3.1 million for building improvements at certain manufacturing facilities and equipment purchases. In addition, acquisitions and related costs of $1.5 million primarily pertain to an acquisition, through a subsidiary, of substantially all of the assets and business of an unrelated entity and contingent purchase price payments to previous owners of acquired businesses.

Financing Activities

In May 2003, the Company entered into a new $120 million revolving credit agreement (new Credit Facility) with a bank syndicate, which contains both revolving credit and term loan features. Borrowings outstanding under the previous credit facility were repaid with borrowings under the new Credit Facility, which expires in May 2006. The new Credit Facility may be used for working capital and general corporate needs of the Company, including letters of credit, and to finance acquisitions. The Company has the option to extend the revolving credit term for two one-year periods or to convert outstanding advances as of the initial expiration date to term loans amortizing over the subsequent twelve-month period subject to requisite bank syndicate approval. The new Credit Facility is secured by all assets other than real property of the Company and its subsidiaries and contains covenants which require, among other things, the maintenance of a leverage ratio and a fixed charge coverage ratio as well as minimum net worth requirements.

Cash used in financing activities during the first nine months of fiscal 2003 primarily related to net payments totaling $12.0 million on the Company's new Credit Facility and its former credit facility as well as the payment of cash dividends totaling $1.1 million.

NEW ACCOUNTING PRONOUNCEMENTS

On November 1, 2002, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 supercedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed of." SFAS No. 144 applies to all long-lived assets (including discontinued operations) and consequently amends Accounting Principles Board (APB) Opinion No. 30, "Reporting Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." SFAS No. 144 develops one accounting model (based on the model in SFAS No. 121) for long-lived assets that are to be disposed of by sale, as well as addresses the principal implementation issues. SFAS No. 144 requires that long-lived assets that are to be disposed of by sale be measured at the lower of carrying value or fair value less cost to sell. That requirement eliminates the requirement of APB Opinion No. 30 that discontinued operations be measured at net realizable value or that entities include under "discontinued operations" in the financial statements amounts for operating losses that have not yet occurred. Additionally, SFAS No. 144 expands the scope of discontinued operations to include all components of an entity with operations that (1) can be distinguished from the rest of the entity and (2) will be eliminated from the ongoing operations of the entity in a disposal transaction. The adoption of SFAS No. 144 did not have a material effect on the Company's results of operations or financial position.

On November 1, 2002, the Company adopted SFAS No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections." This Statement eliminates the SFAS No. 4, "Reporting Gains and Losses from Extinguishment of

Debt," requirement that gains and losses from extinguishment of debt be classified as an extraordinary item, and requires that such gains and losses be evaluated for extraordinary classification under the criteria of APB Opinion No. 30. This statement also amends SFAS No. 13, "Accounting for Leases," to require that certain lease modifications that have economic effects that are similar to sales-leaseback transactions be accounted for in the same manner as sales-leaseback transactions. SFAS No. 145 also makes various other technical corrections to existing pronouncements. The adoption of SFAS No. 145 did not have a material effect on the Company's results of operations or financial position.

In November 2002, the Emerging Issues Task Force (EITF) reached a consensus on Issue No. 00-21, "Revenue Arrangements with Multiple Deliverables" (EITF 00-21). This Issue addresses certain aspects of the accounting by a vendor for arrangements under which it will perform multiple revenue-generating activities. EITF 00-21 provides guidance to determine how arrangement consideration should be measured, whether an arrangement should be divided into separate units of accounting, and how arrangement consideration should be allocated among separate units of accounting. The provisions of EITF 00-21 are effective for revenue arrangements entered into in fiscal periods beginning after June 15, 2003. The Company does not expect the adoption of EITF 00-21 to have a material effect on its results of operations or financial position.

In November 2002, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 45 (FIN 45), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others." This Interpretation elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The initial recognition and measurement provisions of this Interpretation are applicable on a prospective basis to guarantees issued or modified after December 31, 2002. The disclosure requirements of FIN 45 are effective for financial statement periods ending after December 15, 2002. The Company adopted FIN 45 effective as of its first quarter of fiscal 2003, which did not have a material effect on the Company's results of operations or financial position. The disclosures made pursuant to FIN 45 may be found in Note 11 of the Notes to Condensed Consolidated Financial Statements.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure." This Statement amends SFAS No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock-based compensation. It also amends the disclosure provisions of SFAS No. 123 to require prominent disclosure about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based employee compensation. Finally, SFAS No. 148 amends APB Opinion No. 28, "Interim Financial Reporting," to require disclosure about those effects in interim financial information. The transition guidance and annual disclosure requirements are effective for fiscal years ending after December 15, 2002. The interim disclosure requirements are effective for interim periods beginning after December 15, 2002 and may be found in Note 2 of the Notes to Condensed Consolidated Financial Statements.

On January 1, 2003, the Company adopted SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities." SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies EITF Issue No. 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring)." SFAS No. 146 requires recognition of a liability for a cost associated with an exit or disposal activity at fair value when the liability is incurred. Previously, a liability for an exit cost was recognized when the entity committed to an exit plan under EITF Issue No. 94-3. The adoption of SFAS No. 146 did not have a material effect on the Company's results of operations or financial position, but may affect the timing and amounts of the recognition of future restructuring costs.

In January 2003, the FASB issued FASB Interpretation No. 46 (FIN 46), "Consolidation of Variable Interest Entities." This Interpretation clarifies the application of Accounting Research Bulletin No. 51, "Consolidated Financial Statements," to certain entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46 requires an enterprise to consolidate a variable interest entity if that enterprise will absorb a majority of the entity's expected losses, is entitled to receive a majority of the entity's expected residual returns, or both. FIN 46 also requires disclosures about unconsolidated variable interest entities in which an enterprise holds a significant variable interest. FIN 46 is effective for variable interest entities created or entered into after January 31, 2003. It applies in the first fiscal year or interim period beginning after June 15, 2003, to variable interest entities in which an enterprise holds a variable interest that it acquired before February 1, 2003. The Company does not expect the adoption of FIN 46 to have a material effect on its results of operations or financial position.

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." This Statement clarifies under what circumstances a contract with an initial net investment meets the characteristics of a derivative, clarifies when a derivative contains a financing component, amends the language of an "underlying" to conform it to language used in FIN 45, and amends certain other existing pronouncements. The provisions of SFAS No. 149 are effective for contracts entered into or modified after June 30, 2003. The adoption of SFAS No. 149 did not have a material effect on the Company's results of operations or financial position.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." This Statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. SFAS No. 150 requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances), which, under previous guidance, may have been classified as equity. The provisions of SFAS No. 150 are effective for financial instruments entered into or modified after May 31, 2003 and otherwise shall be effective at the beginning of the first interim period beginning after June 15, 2003. The Company does not expect the adoption of SFAS No. 150 to have a material effect on its results of operations or financial position.

FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 (the Act) provides a safe harbor for forward looking statements made by or on behalf of the Company. The Company and its representatives may from time to time make written or oral statements that are "forward-looking," including statements contained in this report and other filings with the Securities and Exchange Commission and in reports to the Company's shareholders. Management believes that all statements that express expectations and projections with respect to future matters may differ materially from that discussed 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 our costs to complete contracts to increase; governmental and regulatory demands, export policies and restrictions, military program funding by U.S. and non-U.S. Government agencies or competition on military programs, 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 aerospace, defense and electronics industries, which could negatively impact our costs and revenues. For an enterprise such as the Company, a wide range of factors could materially affect future developments and performance. A list of such factors is set forth in the Company's 2002 Annual Report on Form 10-K. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Substantially all of the Company's borrowings bear interest at floating interest rates. Based on the outstanding debt balance as of July 31, 2003, a hypothetical 10% increase in interest rates would increase the Company's interest expense by approximately $111,000 on an annual basis.

Item 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

The Company's Chief Executive Officer and its Chief Financial Officer concluded that the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) are effective, based on their evaluation as of the end of the period covered by this quarterly report on Form 10-Q.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There were no changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

10.1 Revolving Credit Agreement, dated as of May 15, 2003, among HEICO Corporation and SunTrust Bank, as Administrative Agent, is incorporated by reference to Exhibit 10.1 to the Form 8-K filed on May 29, 2003.

31.1 Section 302 Certification of the Chief Executive Officer.*

31.2 Section 302 Certification of the Chief Financial Officer.*

32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**

32.2 Certification of Chief Financial Officer 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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* Filed herewith.

** Furnished herewith.

(b) Reports on Form 8-K:

A report on Form 8-K was filed on May 29, 2003, which included a press release announcing the Company's financial results for the second quarter ended April 30, 2003. Also included in this filing is a copy of the Revolving Credit Agreement related to a new $120 million revolving credit facility the Company entered into in May 2003, which replaced its former $120 million credit facility.

A report on Form 8-K was filed on July 31, 2003, which contains a notice dated July 17, 2003 to the members of the board of directors and executive officers of the Company concerning a temporary suspension of trading in securities of HEICO Corporation. The temporary suspension, also called a "blackout period," is a result of changes in the recordkeeper and investment options of the HEICO Savings and Investment Plan.

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 thereunto duly authorized.

HEICO CORPORATION

(Registrant)

Date: August 29, 2003

By: /s/ Thomas S. Irwin

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

Exhibit 31.1

SECTION 302 CERTIFICATION

I, Laurans A. Mendelson, Chief Executive Officer of HEICO Corporation, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of HEICO Corporation;

(2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

(4) The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

(5) The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 29, 2003

/s/ LAURANS A. MENDELSON

Laurans A. Mendelson
Chief Executive Officer

Exhibit 31.2

SECTION 302 CERTIFICATION

I, Thomas S. Irwin, Chief Financial Officer of HEICO Corporation, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of HEICO Corporation;

(2) Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

(4) The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

(5) The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 29, 2003

/s/ THOMAS S. IRWIN

Thomas S. Irwin
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of HEICO Corporation (the "Company") on Form 10-Q for the period ended July 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report") I, Laurans A. Mendelson, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 29, 2003

/s/ LAURANS A. MENDELSON

Laurans A. Mendelson
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of HEICO Corporation (the "Company") on Form 10-Q for the period ended July 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report") I, Thomas S. Irwin, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 29, 2003

/s/ THOMAS S. IRWIN

Thomas S. Irwin
Chief Financial Officer