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 APRIL 30, 2002

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)

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 each of the Registrant's classes of common stock as of May 31, 2002:

Title of Class	Shares Outstanding
Common Stock, $.01 par value	9,372,770
Class A Common Stock, $.01 par value	11,568,088

HEICO CORPORATION

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

ASSETS

	April 30, 2002	October 31, 2001
Current assets:		
Cash and cash equivalents	$7,816,000	$4,333,000
Accounts receivable, net	26,145,000	31,506,000
Inventories	56,723,000	52,017,000
Prepaid expenses and other current assets	7,811,000	5,281,000
Deferred income taxes	2,786,000	3,180,000
Total current assets	101,281,000	96,317,000
Property, plant and equipment less accumulated depreciation of $24,685,000 and $22,673,000, respectively	40,841,000	39,298,000
Intangible assets less accumulated amortization of $19,610,000 and $19,454,000, respectively	186,705,000	183,048,000
Other assets	6,842,000	6,977,000
Total assets	$335,669,000	$325,640,000

LIABILITIES AND SHAREHOLDERS' EQUITY

	April 30, 2002	October 31, 2001
Current liabilities:		
Current maturities of long-term debt	$17,000	$27,000
Trade accounts payable	8,306,000	7,768,000
Accrued expenses and other current liabilities	13,303,000	16,443,000
Income taxes payable	--	564,000
Total current liabilities	21,626,000	24,802,000
Long-term debt, net of current maturities	67,983,000	66,987,000
Deferred income taxes	3,652,000	2,064,000
Other non-current liabilities	5,631,000	6,173,000
Total liabilities	98,892,000	100,026,000
Minority interests in consolidated subsidiaries	37,843,000	36,845,000
Commitments and contingencies (Note 16)		
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 - 9,370,670 and 9,317,453 shares, respectively	93,000	93,000
Class A Common Stock, $.01 par value; Authorized - 30,000,000 shares; Issued and outstanding - 11,567,491 and 11,515,779 shares, respectively	116,000	115,000
Capital in excess of par value	153,618,000	150,605,000
Accumulated other comprehensive loss	--	(226,000)
Retained earnings	50,107,000	43,830,000
	203,934,000	194,417,000
Less: Note receivable from employee savings and investment plan	--	(648,000)
Note receivable secured by Class A Common Stock	(5,000,000)	(5,000,000)
Total shareholders' equity	198,934,000	188,769,000
Total liabilities and shareholders' equity	$335,669,000	$325,640,000

SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED.

HEICO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED

	Six months ended April 30,		Three months ended April 30,	
	2002	2001	2002	2001
Net sales	$84,013,000	$81,392,000	$43,001,000	$41,742,000
Operating costs and expenses:				
Cost of sales	53,804,000	45,984,000	27,642,000	23,366,000
Selling, general and administrative expenses	18,444,000	19,159,000	9,356,000	9,985,000
Total operating costs and expenses	72,248,000	65,143,000	36,998,000	33,351,000
Operating income	11,765,000	16,249,000	6,003,000	8,391,000
Interest expense	(1,262,000)	(1,064,000)	(474,000)	(512,000)
Interest and other income	92,000	1,387,000	29,000	1,072,000
Gain on sale of product line	1,230,000	--	1,230,000	--
Income before income taxes and minority interests	11,825,000	16,572,000	6,788,000	8,951,000
Income tax expense	4,200,000	6,439,000	2,430,000	3,486,000
Income before minority interests	7,625,000	10,133,000	4,358,000	5,465,000
Minority interests in consolidated subsidiaries	827,000	1,411,000	388,000	651,000
Net income	$6,798,000	$8,722,000	$3,970,000	$4,814,000
Net income per share:				
Basic	$.33	$.45	$.19	$.25
Diluted	$.30	$.40	$.18	$.22
Weighted average number of common shares outstanding:				
Basic	20,863,790	19,296,677	20,886,951	19,334,073
Diluted	22,596,372	22,027,867	22,654,966	22,117,033
Cash dividends per share	$.025	$.022	$ --	$ --

SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

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

	Six months ended April 30, 2002	Six months ended April 30, 2001
Cash flows from operating activities:		
Net income	$6,798,000	$8,722,000
Adjustments to reconcile net income to cash provided by operating activities:		
Gain on sale of product line	(1,230,000)	--
Depreciation and amortization	2,181,000	4,990,000
Deferred income tax provision	1,838,000	348,000
Minority interests in consolidated subsidiaries	827,000	1,411,000
Tax benefit on stock option exercises	2,675,000	386,000
Gain on sale of property held for disposition	--	(657,000)
Change in assets and liabilities, net of acquisitions:		
Decrease in accounts receivable	5,720,000	838,000
Increase in inventories	(4,335,000)	(3,631,000)
Increase in prepaid expenses and other assets	(2,355,000)	(1,488,000)
Decrease in trade payables, accrued expenses and other current liabilities	(1,338,000)	(683,000)
Decrease in income taxes payable	(564,000)	(6,743,000)
Other	68,000	(233,000)
Net cash provided by operating activities	10,285,000	3,260,000
Cash flows from investing activities:		
Acquisitions and related costs, net of cash acquired	(4,844,000)	(23,906,000)
Capital expenditures	(3,347,000)	(3,136,000)
Proceeds from sale of product line	--	12,412,000
Proceeds from sale of long-term investments	--	7,035,000
Proceeds from sale of property held for disposition	--	2,157,000
Payment received from employee savings and investment plan note receivable	648,000	803,000
Other	(30,000)	(417,000)
Net cash used in investing activities	(7,573,000)	(5,052,000)
Cash flows from financing activities:		
Proceeds from revolving credit facility	4,000,000	23,000,000
Principal payments on long-term debt	(3,014,000)	(22,014,000)
Proceeds from the exercise of stock options	311,000	697,000
Cash dividends paid	(522,000)	(437,000)
Other	(4,000)	2,000
Net cash provided by financing activities	771,000	1,248,000
Net increase (decrease) in cash and cash equivalents	3,483,000	(544,000)
Cash and cash equivalents at beginning of year	4,333,000	4,807,000
Cash and cash equivalents at end of period	$7,816,000	$4,263,000

SEE NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED.

HEICO CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED
April 30, 2002

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, 2001. The October 31, 2001 condensed consolidated balance sheet was derived from audited 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 six months ended April 30, 2002 are not necessarily indicative of the results which may be expected for the entire fiscal year.

2. All net income per share, dividend per share, stock options and shares outstanding information has been retroactively restated to reflect all stock dividends.

3. In November 2001, the Company, through a subsidiary, acquired certain assets and liabilities of an unrelated entity. The purchase price was not significant to the Company's consolidated financial statements.

4. In July 2001, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 requires that all business combinations be accounted for under the purchase method. The statement further requires separate recognition of intangible assets that meet one of two criteria. The statement applies to all business combinations initiated after June 30, 2001. SFAS No. 142 requires that an intangible asset that is acquired shall be initially recognized and measured based on its fair value. Goodwill in each reporting unit must be tested for impairment as of the beginning of the fiscal year in which the statement is initially applied in its entirety. An entity has six months from the date it initially applies this statement to complete the transitional impairment test. The statement also provides that goodwill should not be amortized, but shall be tested for impairment annually, or more frequently if circumstances indicate potential impairment, through a comparison of fair value to its carrying amount. SFAS 142 also requires that reporting units based on an entity's reporting structure be established. All goodwill recognized in an entity's statement of financial position at the date SFAS 142 is initially applied shall be assigned to one or more reporting units. SFAS No. 142 is effective for fiscal periods beginning after December 15, 2001.

The Company adopted the provisions of SFAS No. 142 effective the beginning of the first quarter of fiscal 2002. These standards only permit prospective application of the new accounting; accordingly, adoption of these standards will not affect previously reported financial information. The principal effect of implementing SFAS No. 142 was the cessation of the amortization of goodwill in the first six months of fiscal 2002. The Company has performed the transitional impairment test which requires comparison of carrying values to fair values and if appropriate the carrying value of impaired assets is reduced to fair value. As a result of the test performed, the Company determined there was no goodwill impairment as of the beginning of the first quarter. There can be no assurance that future goodwill impairments will not occur. Intangible assets that are not subject to amortization consist of goodwill. As of April 30, 2002, the carrying value of goodwill amounted to $185.6 million. Pretax goodwill amortization in the six months and three months ended April 30, 2001 amounted to $3.3 million ($.09 per diluted share, net of tax) and $1.7 million ($.05 per diluted share, net of tax), respectively.

The following table reflects a comparison of the current year to the comparable prior year periods' results of operations and net income per share adjusted to give effect to the adoption of SFAS No. 142:

	Six months ended April 30,		Three months ended April 30,	
	2002	2001	2002	2001
Reported net income	$6,798,000	$8,722,000	$3,970,000	$4,814,000
Add-back after tax goodwill amortization	--	2,104,000	--	1,076,000
Adjusted net income	$6,798,000	$10,826,000	$3,970,000	$5,890,000
Net income per share - basic	$.33	$.45	$.19	$.25
Add-back after tax goodwill amortization	--	.11	--	.05
Adjusted net income per share - basic	$.33	$.56	$.19	$.30
Net income per share - diluted	$.30	$.40	$.18	$.22
Add-back after tax goodwill amortization	--	.09	--	.05
Adjusted net income per share - diluted	$.30	$.49	$.18	$.27

The changes in the carrying amount of goodwill during the six months ended April 30, 2002 by segment are as follows:

	FSG	ETG	Consolidated Total
Balance as of November 1, 2001	$112,756,000	$69,322,000	$182,078,000
Goodwill acquired during the year	3,437,000	--	3,437,000
Other	70,000	42,000	112,000
Balance as of April 30, 2002	$116,263,000	$69,364,000	$185,627,000

The increase in goodwill in the six months ended April 30, 2002 results primarily from the acquisition of assets and liabilities of an unrelated entity in November 2001.

Other intangible assets subject to amortization consist primarily of patents, non-compete covenants and loan costs. The gross carrying amount and accumulated amortization of other intangible assets was $3.2 million and $2.1 million, respectively, as of April 30, 2002. Amortization expense of other intangible assets for the six months and three months ended April 30, 2002 was $156,000 and $62,000, respectively. Amortization expense for the fiscal year ended October 31, 2002 and the succeeding five fiscal years by year is expected to be as follows: 2002 - $307,000; 2003 - $249,000; 2004 - $226,000; 2005 - $178,000; 2006 - $37,000; 2007 - $36,000.

5. In September 2000, the Company sold a product line represented by a wholly-owned subsidiary, Trilectron Industries, Inc. (Trilectron). At the time of the sale, the Company accrued approximately $10.8 million for expenses related to the sale. In the second quarter of fiscal 2002, the Company recognized a $1.2 million pre-tax gain ($765,000 net of tax or $.03 per diluted share) on sale of the Trilectron product line due to the elimination of certain reserves upon the expiration of indemnification provisions of the sales contract. The $1.2 million gain is reported as gain on sale of product line in the condensed consolidated statements of operations.

6. Accounts receivable are composed of the following:

	April 30, 2002	October 31, 2001
Accounts receivable	$27,187,000	$32,415,000
Less allowance for doubtful accounts	(1,042,000)	(909,000)
Accounts receivable, net	$26,145,000	$31,506,000

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

	April 30, 2002	October 31, 2001
Costs incurred on uncompleted contracts	$6,062,000	$7,709,000
Estimated earnings	5,136,000	6,224,000
	11,198,000	13,933,000
Less: Billings to date	(13,241,000)	(14,770,000)
	($2,043,000)	($837,000)
Included in accompanying balance sheets under the following captions:		
Accounts receivable, net (costs and estimated earnings in excess of billings)	$735,000	$234,000
Accrued expenses and other current liabilities (billings in excess of costs and estimated earnings)	(2,778,000)	(1,071,000)
	($2,043,000)	($837,000)

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 six months and three months ended April 30, 2002. For the six months and three months ended April 30, 2001, changes in estimates increased net income and diluted net income per share by $600,000 ($.03 per diluted share) and $400,000 ($.02 per diluted share), respectively.

8. Inventories are comprised of the following:

	April 30, 2002	October 31, 2001
Finished products	$32,025,000	$27,791,000
Work in process	7,279,000	7,883,000
Materials, parts, assemblies and supplies	17,419,000	16,343,000
Total inventories	$56,723,000	$52,017,000

Inventories related to long-term contracts were not significant as of April 30, 2002 and October 31, 2001.

9. Long-term debt consists of:

	April 30, 2002	October 31, 2001
Borrowings under revolving credit facility	$66,000,000	$65,000,000
Industrial Development Revenue Refunding Bonds - Series 1988	1,980,000	1,980,000
Equipment loans	20,000	34,000
	68,000,000	67,014,000
Less current maturities	(17,000)	(27,000)
	$67,983,000	$66,987,000

10. Pursuant to the Company's $120 million revolving credit facility (Credit Facility) of which $66 million is outstanding as of April 30, 2002, funds are available for funding acquisitions, working capital and general corporate requirements on a revolving basis through July 2003. The Company has the option to convert outstanding advances to term loans amortizing over a period through July 2005. The weighted average interest rates were 2.9% and 3.4% at April 30, 2002 and October 31, 2001, respectively.

The interest rates on the Series 1988 industrial development revenue bonds were 1.8% and 2.1% at April 30, 2002 and October 31, 2001, respectively.

11. For the six months ended April 30, 2002 and 2001, cost of sales amounts include approximately $5.2 million and $3.0 million, respectively, of new product research and development expenses. The expenses for the first six months of fiscal 2001 are net of $1.0 million in reimbursements pursuant to research and development cooperation and joint venture agreements. The reimbursements pursuant to such agreements in the six months ended April 30, 2002 were not significant.

12. The Company's effective tax rate decreased from 38.9% in the first six months of fiscal 2001 to 35.5% in the first six months of fiscal 2002 primarily due to the elimination of goodwill amortization.

13. Information on operating segments for the six months and quarter ended April 30, 2002 and 2001, respectively, for the Flight Support Group (FSG) consisting of HEICO Aerospace and its subsidiaries and the Electronic Technologies Group (ETG) consisting of HEICO Electronic Technologies Corp. and its subsidiaries are as follows:

	Segments			
	FSG	ETG	Other, Primarily Corporate and Intersegment Sales	Consolidated Totals
For the six months ended April 30, 2002:				
Net sales	$57,418,000	$26,938,000	($343,000)	$84,013,000
Depreciation and amortization	1,434,000	598,000	149,000	2,181,000
Operating income	8,040,000	6,157,000	(2,432,000)	11,765,000
Capital expenditures	2,147,000	1,170,000	30,000	3,347,000
For the six months ended April 30, 2001:				
Net sales	$64,787,000	$16,605,000	$ -	$81,392,000
Depreciation and amortization	3,765,000	1,095,000	130,000	4,990,000
Operating income	14,669,000	3,954,000	(2,374,000)	16,249,000
Capital expenditures	2,052,000	380,000	704,000	3,136,000
For the quarter ended April 30, 2002:				
Net sales	$ 29,038,000	$14,130,000	($167,000)	$43,001,000
Depreciation and amortization	760,000	289,000	68,000	1,117,000
Operating income	3,844,000	3,427,000	(1,268,000)	6,003,000
Capital expenditures	1,041,000	972,000	28,000	2,041,000
For the quarter ended April 30, 2001:				
Net sales	$33,284,000	$8,458,000	$ -	$41,742,000
Depreciation and amortization	1,916,000	561,000	72,000	2,549,000
Operating income	7,678,000	2,004,000	(1,291,000)	8,391,000
Capital expenditures	1,238,000	341,000	692,000	2,271,000

Total assets held by the operating segments as of April 30, 2002 and October 31, 2001 are as follows:

	Segments			
	FSG	ETG	Other, Primarily Corporate	Consolidated Totals
As of April 30, 2002	$216,967,000	$106,565,000	$12,137,000	$335,669,000
As of October 31, 2001	$209,367,000	$105,451,000	$10,822,000	$325,640,000

14. The Company's comprehensive income consists of:

	Six months ended April 30,		Three months ended April 30,	
	2002	2001	2002	2001
Net income	$6,798,000	$8,722,000	$3,970,000	$4,814,000
Interest rate swap income (loss) adjustment	370,000	(400,000)	223,000	(111,000)
Tax (expense) benefit	(144,000)	156,000	(92,000)	43,000
Comprehensive income	$7,024,000	$8,478,000	$4,101,000	$4,746,000

15. The following is a reconciliation between the weighted average outstanding shares used in the calculation of basic and diluted net income per share.

	Six months ended April 30,		Three months ended April 30,	
	2002	2001	2002	2001
Weighted average common shares outstanding	20,863,790	19,296,677	20,886,951	19,334,073
Net effect of dilutive stock options	1,732,582	2,731,190	1,768,015	2,782,960
Weighted average common shares outstanding - assuming dilution	22,596,372	22,027,867	22,654,966	22,117,033
Options outstanding which are not included in the calculation of diluted net income per share because their impact is anti-dilutive	879,865	571,509	555,680	522,066

16. 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.

17. In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS 144 supercedes SFAS Statement No. 121 (SFAS 121), "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed of". SFAS 144 applies to all long-lived assets (including discontinued operations) and consequently amends APB 30, "Reporting Results of Operations - Reporting the Effects of Disposal of a Segment of a Business". SFAS 144 develops one accounting model (based on the model in SFAS 121) for long-lived assets that are to be disposed of by sale, as well as addresses the principal implementation issues. SFAS 144 requires that long-lived assets that are to be disposed of by sale be measured at the lower of book value or fair value less cost to sell. That requirement eliminates the requirement of APB 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 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. While the Company has not completed the process of determining the effect of this new accounting pronouncement on its consolidated financial statements, the Company currently expects that the effect of SFAS No. 144 on the Company's financial statements, when it becomes effective, will not be significant. SFAS 144 is effective for fiscal years beginning after December 15, 2001 and generally the provisions of the statement will be applied prospectively.

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 at 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.

Our Flight Support Group (FSG) consists of HEICO Aerospace Holdings Corp. (HEICO Aerospace) and its subsidiaries and our Electronic Technologies Group (ETG) consists of HEICO Electronic Technologies Corp. and its subsidiaries.

In November 2001, the Company, through a FSG subsidiary, acquired certain assets and liabilities of an unrelated entity. The purchase price was not significant to the Company's consolidated financial statements.

All net income per share information has been retroactively restated to reflect all stock dividends.

Critical Accounting Policies

The Company believes that the following are its most critical accounting policies, some of which require management to make judgments about matters that are inherently uncertain.

Revenue Recognition

Revenue is recognized on an accrual basis, primarily upon shipment of products and the rendering of services. Revenue from certain fixed price contracts for which costs can be dependably estimated are recognized on the percentage of completion method, measured by the cost-to-cost method. Changes in job performance, job conditions, estimated profitability and final contract settlements may result in revisions to costs. Revisions in cost estimates as contracts progress have the effect of increasing or decreasing profits in the period of revision. For contracts in which costs cannot be dependably estimated, revenue is recognized on the completed-contract method. A contract is considered complete when all costs except insignificant items have been incurred or the item has been accepted by the customer. The aggregate effects of changes in estimates relating to inventories and/or long-term contracts were not material in the second quarter and first six months of fiscal 2002.

Valuation of Accounts Receivable

The valuation of accounts receivable requires that the Company provide for anticipated bad debts, by recording allowances based upon experience, economic conditions, and a significant negative change in a customer's financial condition. Actual bad debts could differ from estimates used.

Inventories

Portions of the inventories are stated at the lower of cost or market, with cost being determined on the first-in, first-out basis. The remaining portions of the inventories are stated at the lower of cost or market, on a per contract basis, with estimated total contract costs being allocated ratably to all units. The effects of changes in estimated total contract costs are recognized in the period determined. Losses, if any, are recognized fully when identified.

The Company periodically evaluates inventory levels, giving consideration to factors such as the physical condition of the inventory, sales patterns and expected future demand and estimates a reasonable amount to be provided for slow moving, obsolete or damaged inventory. These estimates could vary significantly, either favorable or unfavorable, from actual requirements based upon future economic conditions, customer inventory levels or competitive factors that were not foreseen or did not exist when the valuation allowances were established.

Goodwill

The Company adopted the provisions of SFAS No. 142 effective the beginning of the first quarter of fiscal 2002. The principal effect of implementing SFAS No. 142 was the cessation of the amortization of goodwill in the first six months of fiscal 2002. The Company has performed the transitional impairment test which requires comparison of carrying values to fair values and if appropriate the carrying value of impaired assets is reduced to fair value. As a result of the test performed, the Company determined there was no goodwill impairment as of the beginning of the first quarter. The test required estimates, assumptions and judgments and results could be materially different if different estimates, assumptions and judgments had been used. There can be no assurance that future goodwill impairments will not occur. Intangible assets that are not subject to amortization consist of goodwill. As of April 30, 2002, goodwill amounted to $185.6 million.

Results of Operations

The Company's results of operations in the first six months of fiscal 2002 compared to the same period in fiscal 2001 has been significantly affected by the terrorist attacks of September 11, 2001 (September 11th), the adoption of SFAS No. 142 and the results of operations from businesses acquired in fiscal 2001.

For the periods indicated below, the following tables set forth the results of operations, net sales and operating income by operating segment and the percentage of net sales represented by the respective items.

	Six months ended April 30,		Three months ended April 30,	
	2002	2001	2002	2001
Net sales	$84,013,000	$81,392,000	$43,001,000	$41,742,000
Cost of sales	53,804,000	45,984,000	27,642,000	23,366,000
Selling, general and administrative expenses	18,444,000	19,159,000	9,356,000	9,985,000
Total operating costs and expenses	72,248,000	65,143,000	36,998,000	33,351,000
Operating income	$11,765,000	$16,249,000	$6,003,000	$8,391,000

	Six months ended April 30,		Three months ended April 30,	
	2002	2001	2002	2001
Net sales by segment:				
FSG	$57,418,000	$64,787,000	$29,038,000	$33,284,000
ETG	26,938,000	16,605,000	14,130,000	8,458,000
Intersegment sales	(343,000)	-	(167,000)	-
	$84,013,000	$81,392,000	$43,001,000	$41,742,000
Operating income by segment:				
FSG	$8,040,000	$14,669,000	$3,844,000	$7,678,000
ETG	6,157,000	3,954,000	3,427,000	2,004,000
Other, primarily corporate	(2,432.000)	(2,374,000)	(1,268,000)	(1,291,000)
	$11,765,000	$16,249,000	$6,003,000	$8,391,000
Net sales	100.0%	100.0%	100.0%	100.0%
Gross profit	36.0%	43.5%	35.7%	44.0%
Selling, general and administrative expense	22.0%	23.5%	21.8%	23.9%
Operating income	14.0%	20.0%	14.0%	20.1%
Interest expense	1.5%	1.3%	1.1%	1.2%
Interest and other income	0.1%	1.7%	0.1%	2.6%
Gain on sale of product line	1.5%	-	2.9%	-
Income tax expense	5.0%	7.9%	5.7%	8.4%
Minority interest	1.0%	1.7%	0.9%	1.6%
Net income	8.1%	10.7%	9.2%	11.5%

Comparison of First Six Months of Fiscal 2002 to First Six Months of Fiscal 2001

Net Sales

Net sales for the first six months of fiscal 2002 totaled $84.0 million, up 3% when compared to the first six months of fiscal 2001 net sales of $81.4 million.

The increase in the first six months of fiscal 2002 sales reflects an increase of $10.3 million (a 62% increase) to $26.9 million in sales from the ETG partially offset by a decrease of $7.4 million (an 11% decrease) to $57.4 million in sales from the FSG. The ETG sales increase mainly reflects acquisitions as the Company expanded its capabilities to include laser, navigation and power supply technologies. This increase was partially offset by continued weakness in sales of EMI shielding products to the electronics and communications industries. The FSG sales decrease mainly reflects the continued impact of the terrorist attacks of September 11th on commercial airline customers and continued softness in demand within the component overhaul and repair services market, particularly from cargo carriers which resulted in lower PMA parts and overhaul services sales. This decrease was partially offset by sales of newly-acquired businesses. The sales attributable to newly-acquired businesses of both the ETG and FSG approximated $16.3 million.

Gross Profits and Operating Expenses

The Company's gross profit margins averaged 36.0% for the first six months of fiscal 2002 as compared to 43.5% for the first six months of fiscal 2001. This decrease reflects lower margins within the FSG primarily attributable to lower sales of higher margin PMA parts and overhaul services discussed above, a budgeted increase in new product research and development expenses of $2.3 million and an excess inventory charge of $400,000 at one of the Company's overhaul services companies. The decrease also reflects slightly lower gross margins in the ETG due primarily to lower sales of higher margin electro-magnetic interference (EMI) shielding products partially offset by gross profit margins from acquired businesses. Cost of sales amounts for the first six months of fiscal 2002 and fiscal 2001 include approximately $5.2 million and $3.0 million, respectively, of new product research and development expenses net of reimbursements pursuant to cooperation and joint venture agreements. FSG's new product research and development expense for the full fiscal 2002 is expected to increase by approximately $3 million over fiscal 2001 as the Company plans to introduce additional new commercial jet engine and aircraft parts.

Selling, general and administrative (SG&A) expenses decreased to $18.4 million for the first six months of fiscal 2002 from $19.2 million for the first six months of fiscal 2001. As a percentage of net sales, SG&A expenses decreased to 22.0% for the first six months of fiscal 2002 compared to 23.5% for the first six months of fiscal 2001. The decrease in SG&A and SG&A as a percent of sales is mainly due to the elimination of goodwill amortization ($3.3 million) as required under SFAS 142, offset by the additional SG&A expenses of newly-acquired businesses and accelerated marketing efforts.

Operating Income

Operating income decreased to $11.8 million for the first six months of fiscal 2002 from $16.2 million for the first six months of fiscal 2001. As a percent of net sales, operating income decreased from 20.0% in the first six months of fiscal 2001 to 14.0% in the first six months of fiscal 2002. The decrease in operating income reflects a decrease from $14.7 million to $8.0 million in the Company's FSG partially offset by an increase from $4.0 million to $6.2 million in the Company's ETG. The decline in operating income as a percent of sales reflects a decline in the FSG's operating income as a percentage of net sales from 22.6% in the first six months of fiscal 2001 to 14.0% in the first six months of fiscal 2002 while the ETG's operating income as a percentage of net sales declined from 23.8% in the first six months of fiscal 2001 to 22.9% in the first six months of fiscal 2002. The decrease in the FSG's operating income and operating income as a percent of sales reflects the lower sales and gross margins discussed above. The lower margins in the FSG were partially offset by the elimination of goodwill amortization of $2.5 million and the operating income of acquired businesses. The increase in ETG operating income reflects operating income from the acquisitions and the elimination of goodwill amortization of $800,000, partially offset by the continued weakness in economic conditions in certain technology industries, which continues to impact sales of EMI shielding products. The decrease in the ETG's operating income as a percent of net sales in the first six months of fiscal 2002 is mainly due to lower sales of the higher margin EMI shielding products partially offset by higher gross margins of acquired businesses and the elimination of goodwill amortization.

Interest Expense

Interest expense increased $198,000 to $1,262,000 from the first six months of fiscal 2001 to the first six months of fiscal 2002. The increase was principally due to borrowings used to fund acquisitions.

Interest and Other Income

Interest and other income decreased from $1.4 million to $92,000 from the first six months of fiscal 2001 to the first six months of fiscal 2002. This decrease is mainly due to the inclusion in fiscal 2001 of the gain of $657,000 on the sale of property retained in the sale of the Trilectron product line sold in September 2000 and the realized gain of $179,000 on the sale of long-term investments. The decrease also reflects lower investment interest rates and other income in the first six 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 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 decrease from the first six months of fiscal 2001 to the first six months of fiscal 2002 results from lower earnings of the FSG.

Income Tax Expense

The Company's effective tax rate was 35.5% in the first six months of fiscal 2002 and 38.9% in the first six months of fiscal 2001. The decrease is primarily due to the elimination of goodwill amortization in the first six months of fiscal 2002.

Net Income

The Company's net income was $6.8 million, or $.30 per diluted share, in the first six months of fiscal 2002 and $8.7 million, or $.40 per diluted share, in the first six months of fiscal 2001. For the first six months of fiscal 2001, net income as adjusted on a proforma basis for the adoption of SFAS No. 142 would have been $10.8 million, or $.49 per diluted share. The lower net income in the first six months of fiscal 2002 reflects the lower operating income discussed above, partially offset by the additional gain on sale of the Trilectron product line.

Outlook

During the second quarter of fiscal 2002, the Company experienced some recovery of sales to airline customers as reflected by a 14% increase in sales of FAA-approved replacement parts over the first quarter of fiscal 2002 reflecting some replacement of capacity by the airlines and additional product offerings by the Company. Net sales in the second quarter of fiscal 2002 reflects an increase of $2.0 million (a 5% increase) when compared to sales in the first quarter of fiscal 2002 of $41.0 million. This increase reflects an increase in sales of both the FSG and the ETG. ETG sales increased $1.3 million (10% increase) from $12.8 million in the first quarter of fiscal 2002 due mainly to increased sales from defense-related contracts. FSG sales increased $700,000 from $28.4 million in the first quarter of fiscal 2002 mainly due to the 14% increase in FAA-approved parts sales partially offset by lower sales to the original equipment manufacturer market. The Company is still unable to predict with certainty when, or if the commercial markets will fully rebound.

Operating income in the second quarter of fiscal 2002 increased by $200,000 compared to operating income in the first quarter of fiscal 2002 of $5.8 million. The increase reflects higher operating income in the ETG partially offset by lower operating income in the FSG. The ETG's operating income increased $700,000 (a 26% increase) from $2.7 million in the first quarter of fiscal 2002. This increase reflects higher sales of defense-related contracts discussed above. FSG's operating income decreased $350,000 from $4.2 million in the first quarter of fiscal 2002 primarily due to the inventory charge discussed below and higher new product research and development expense partially offset by the benefit of the higher sales discussed above.

Net income in the second quarter of fiscal 2002 increased $1.1 million, or 5 cents per share, from $2,828,000 or 13 cents per share in the first quarter of fiscal 2002. The increased net income in the second quarter of fiscal 2002 compared to the first quarter of fiscal 2002 reflects higher sales and earnings discussed above. In addition, net income in the second quarter reflects $765,000, or $.03 per diluted share, related to an increase in the gain on sale of the Trilectron product line.

The Company believes that its strategic relationships with some of the world's major airlines; including Lufthansa, American Airlines and United Airlines (United) demonstrates how critical the Company is to the airlines' ability to operate cost effectively. The recently announced strategic alliance with United is expected to provide the Company with between $100 to $150 million of non-JT8D engine revenue over the next seven years.

In addition, the Company's diversification of its operations beyond commercial aerospace has cushioned the impact of September 11th. Including sales from newly-acquired businesses, revenues from defense customers in fiscal 2002 increased over 70% compared to the first six months of fiscal 2001 and represent approximately 25% of our total revenues in the first six months of fiscal 2002. In addition, approximately 10% of our total revenues in the first six months of fiscal 2002 were derived from markets other than the aviation and defense industries, including industrial, medical, electronics and telecommunications. The Company currently expects continued strengthening of its defense markets and low to modest growth in other markets.

The Company has also increased its new product research and development budget for FAA-approved replacement parts by over 50% to more than $9 million in fiscal 2002 and has met targets set for new product designs and approvals through April 30, 2002.

For the balance of fiscal 2002, the Company expects improvements in its operating results despite some softness in the commercial aviation markets. Based on current market conditions and customer order patterns, the Company expects revenues in the second half of fiscal 2002 to be up at least 10% - 15% over the first half of fiscal 2002 and earnings to be up at least 25% - 40% in the same period.

Because of the uncertainties in the commercial aviation market since September 11th and the generally slow domestic economy, the Company cannot predict with certainty the near-term impact of recent events. The Company believes, however, that its basic strategies will result in long-term growth.

Comparison of Second Quarter of Fiscal 2002 to Second Quarter of Fiscal 2001

Net Sales

Net sales for the second quarter of fiscal 2002 totaled $43.0 million, up 3% when compared to the second quarter of fiscal 2001 net sales of $41.7 million.

The increase in second quarter of fiscal 2002 sales reflects an increase of $5.7 million (a 67% increase) to $14.1 million in sales from the ETG partially offset by a decrease of $4.2 million (a 13% decrease) to $29.0 million in sales from the FSG. The ETG sales increase mainly reflects acquisitions as the Company expanded its capabilities to include laser, navigation and power supply technologies. This increase was partially offset by continued weakness in sales of EMI shielding products to the electronics and communications industries. The FSG sales decrease mainly reflects the continued impact of the terrorist attacks of September 11th on commercial airline customers and continued softness in demand within the component overhaul and repair services market, particularly from cargo carriers which resulted in lower PMA parts and overhaul services sales. This decrease was partially offset by sales of newly-acquired businesses. The sales attributable to newly-acquired businesses of both the ETG and FSG approximated $7.4 million.

Gross Profits and Operating Expenses

The Company's gross profit margins averaged 35.7% for the second quarter of fiscal 2002 as compared to 44.0% for the second quarter of fiscal 2001. This decrease reflects lower margins within the FSG primarily attributable to lower sales of higher margin PMA parts and overhaul services, discussed above, a budgeted increase in new product research and development expenses of $1.4 million and an excess inventory charge of $300,000 at one of the Company's overhaul services companies. The decrease also reflects slightly lower gross margins in the ETG due primarily to lower sales of higher margin EMI shielding products partially offset by gross margins from acquired businesses. Cost of sales amounts for the second quarter of fiscal 2002 and fiscal 2001 include approximately $2.6 million and $1.4 million, respectively, of new product research and development expenses net of reimbursements pursuant to cooperation and joint venture agreements.

Selling, general and administrative (SG&A) expenses decreased $600,000 to $9.4 million for the second quarter of fiscal 2002 from $10.0 million for the second quarter of fiscal 2001. As a percentage of net sales, SG&A expenses decreased to 21.8% for the second quarter of fiscal 2002 compared to 23.9% for the second quarter of fiscal 2001. The decrease in SG&A and SG&A as a percentage of net sales is mainly due to the elimination of goodwill amortization ($1.7 million) as required under SFAS 142, discussed above, offset by the additional SG&A expenses of newly-acquired businesses and accelerated marketing efforts.

Operating Income

Operating income decreased to $6.0 million for the second quarter of fiscal 2002 from $8.4 million for the second quarter of fiscal 2001. As a percentage of net sales, operating income decreased from 20.1% in the second quarter of fiscal 2001 to 14.0% in the second quarter of fiscal 2002. The decrease in operating income reflects a decrease from $7.7 million to $3.8 million in the Company's FSG partially offset by an increase from $2.0 million to $3.4 million in the Company's

ETG. The decline in operating income as a percent of sales reflects a decline in the FSG's operating income as a percentage of net sales from 23.1% in the second quarter of fiscal 2001 to 13.2% in the second quarter of fiscal 2002 partially offset by an increase in the ETG's operating income as a percentage of net sales from 23.7% in the second quarter of fiscal 2001 to 24.3% in the second quarter of fiscal 2002. The decrease in the FSG's operating income and operating income as a percentage of sales reflects the lower sales and gross margins discussed above. The lower margins in the FSG were partially offset by the elimination of goodwill amortization of $1.3 million and the operating income of acquired businesses. The increase in ETG operating income and operating income as a percentage of net sales reflects operating income from the acquired businesses and the elimination of goodwill amortization of $400,000, partially offset by the continued weakness in economic conditions in certain technology industries, which continues to impact sales of EMI shielding products.

Interest Expense

Interest expense decreased $38,000 to $474,000 from the second quarter of fiscal 2001 to the second quarter of fiscal 2002. The decrease was principally due to lower interest rates on outstanding debt in the second quarter of fiscal 2002.

Interest and Other Income

Interest and other income decreased from $1,072,000 to $29,000 from the second quarter of fiscal 2001 to the second quarter of fiscal 2002. This decrease is mainly due to the inclusion in the second quarter of fiscal 2001 of the gain of $657,000 on the sale of property retained in the sale of the Trilectron product line sold in September 2000 and the realized gain of $179,000 on the sale of long-term investments in the second quarter of fiscal 2001. The decrease also reflects lower investment interest rates and other income in the second quarter 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 sale of the Trilectron product line due to the elimination of certain reserves upon the expiration of indemnification provisions of the sales contract.

Income Tax Expense

The Company's effective tax rate was 35.8% in the second quarter of fiscal 2002 and 38.9% in the second quarter of fiscal 2001. The decrease is primarily due to the elimination of goodwill amortization in the second quarter of fiscal 2002.

Minority Interests

Minority interests in consolidated subsidiaries represents the minority interests held in HEICO Aerospace. The decrease from the second quarter of fiscal 2001 to the second quarter of fiscal 2002 results from lower earnings of the FSG.

Net Income

The Company's net income was $4.0 million, or $.18 per diluted share, in the second quarter of fiscal 2002 and $4.8 million, or $.22 per diluted share, in the second quarter of fiscal 2001. For the second quarter of fiscal 2001, net income as adjusted on a proforma basis for the adoption of SFAS No. 142 would have been $5.9 million, or $.27 per diluted share. The lower net income in the second quarter of fiscal 2002 reflects the lower operating income discussed above partially offset by the additional gain on sale of the Trilectron product line.

Inflation

The Company has generally experienced increases in its costs of labor, materials and services consistent with overall rates of inflation. The impact of such increases on the Company's net income has been generally minimized by efforts to lower costs through manufacturing efficiencies and cost reductions.

Liquidity and Capital Resources

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

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

The Company believes that 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 operations was $10.3 million for the first six months of fiscal 2002, consisting primarily of net income of $6.8 million, depreciation and amortization of $2.2 million, tax benefit on stock option exercises of $2.7 million, deferred income tax provision of $1.8 million, partially offset by an increase in net operating assets of $2.9 million, mainly due to higher inventories in the FSG associated with new products and inventory orders placed prior to September 11th.

Investing Activities

The principal cash used in investing activities in the first six months of fiscal 2002 was acquisition related costs and capital expenditures of approximately $4.8 million and $3.3 million, respectively.

Financing Activities

The Company's principal financing activities during the first six months of fiscal 2002 included net proceeds of $1.0 million from the Company's Credit Facility to fund acquisitions and the payment of cash dividends of $522,000.

New Accounting Pronouncements

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". SFAS 144 supercedes SFAS Statement No. 121 (SFAS 121), "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed of". SFAS 144 applies to all long-lived assets (including discontinued operations) and consequently amends APB 30, "Reporting Results of Operations - Reporting the Effects of Disposal of a Segment of a Business". SFAS 144 develops one accounting model (based on the model in SFAS 121) for long-lived assets that are to be disposed of by sale, as well as addresses the principal implementation issues. SFAS 144 requires that long-lived assets that are to be disposed of by sale be measured at the lower of book value or fair value less cost to sell. That requirement eliminates the requirement of APB 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 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. While the Company has not completed the process of determining the effect of this new accounting pronouncement on its consolidated financial statements, the Company currently expects that the effect of SFAS No. 144 on the Company's financial statements, when it becomes effective, will not be significant. SFAS 144 is effective for fiscal years beginning after December 15, 2001 and generally the provisions of the statement will be applied prospectively.

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, the demand for commercial air travel, the adverse impact of the September 11, 2001 terrorist attacks on commercial airlines and the economy in general, the extent of benefits received by U.S. airlines and air cargo carriers under the Air Transportation Safety and System Stabilization Act, considering any challenges to and interpretations or amendments of the Act, increasing cost of insurance coverage as a result of the September 11, 2001 terrorist attacks, credit risk related to receivables from customers, product specification costs and requirements, governmental and regulatory demands, competition on military programs, government export policies, government funding of military programs, product pricing levels, the Company's ability to make acquisitions and achieve operating synergies from such acquisitions, interest rates and economic conditions within and outside of the aerospace, defense and electronics industries. 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 Annual Report on Form 10-K for the year ended October 31, 2001.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's interest rate swap pursuant to which it exchanged floating rate interest based on three-month LIBOR on a notional principal amount of $20 million expired on February 1, 2002. Based on the outstanding debt balance at April 30, 2002, a change of 1% in interest rates would cause a change in interest expense of approximately $680,000 on an annual basis.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders.

At the Annual Meeting of Shareholders held on March 19, 2002, the Company's shareholders elected seven directors and approved the HEICO Corporation 2002 Stock Option Plan pursuant to which 520,000 shares of Common Stock and/or Class A Common Stock are reserved for issuance.

The number of votes cast for and withheld for each nominee for director were as follows:

Director	For	Withheld
Samuel L. Higginbottom	9,631,633	76,784
Wolfgang Mayrhuber	9,309,794	398,623
Eric A. Mendelson	9,640,740	67,677
Laurans A. Mendelson	9,643,850	64,567
Victor H. Mendelson	9,640,909	67,508
Albert Morrison, Jr.	9,644,507	63,910
Dr. Alan Schriesheim	9,634,314	74,103

The number of votes cast for, withheld and abstained for the HEICO Corporation 2002 Stock Option Plan were as follows:

For:	8,345,329
Against:	1,022,379
Abstained:	340,709

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

None.

(b) There were no reports on Form 8-K filed during the three months ended April 30, 2002.

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)

June 12, 2002	BY /s/Thomas S. Irwin
Date	Thomas S. Irwin, Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)