SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

X	**Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
	For the quarterly period ended April 27, 2002, or
_	**Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
	For the transition period from to

Commission file number 333-38223

ARGO-TECH CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**31-1521125**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. employer identification no.)**
23555 Euclid Avenue Cleveland, Ohio	**44117**
(Address of principal executive offices)	**(Zip code)**

(216) 692-6000
(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. X YES NO

All of the outstanding capital stock of the registrant is held by AT Holdings Corporation.

As of June 1, 2001, 1 share of the registrant's common stock, $.01 par value, was outstanding.

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PART I — FINANCIAL INFORMATION

ARGO-TECH CORPORATION AND SUBSIDIARIES
(A Wholly-Owned Subsidiary of AT Holdings Corporation)

CONSOLIDATED BALANCE SHEETS
APRIL 27, 2002 AND OCTOBER 27, 2001
(In thousands, except share data)

ASSETS	2002 (Unaudited)	2001
CURRENT ASSETS:		
Cash and cash equivalents	$ 9,609	$ 8,057
Receivables, net	23,972	32,051
Income tax receivable	3,576	3,885
Inventories	29,580	28,861
Deferred income taxes and prepaid expenses	6,160	5,648
Total current assets	72,897	78,502
PROPERTY AND EQUIPMENT, net of accumulated depreciation	27,199	29,027
GOODWILL, net of accumulated amortization	111,335	108,933
INTANGIBLE ASSETS, net of accumulated amortization	40,038	44,145
OTHER ASSETS	11,562	12,967
Total Assets	$263,031	$273,574
LIABILITIES		
CURRENT LIABILITIES:		
Current portion of long-term debt	$ 18,612	$ 18,612
Accounts payable	3,628	4,840
Accrued liabilities	16,740	19,146
Total current liabilities	38,980	42,598
LONG-TERM DEBT, net of current maturities	225,598	234,768
OTHER NONCURRENT LIABILITIES	22,663	24,333
Total Liabilities	287,241	301,699
REDEEMABLE ESOP STOCK	17,737	18,194
Unearned ESOP stock	(3,360)	(4,200)
	14,377	13,994
SHAREHOLDERS’ EQUITY/(DEFICIENCY):		
Common Stock, $.01 par value, authorized 3,000 shares; 1 share issued and outstanding	—	—
Paid-in capital	—	—
Accumulated comprehensive loss	(2,041)	(1,948)
Accumulated deficit	(36,546)	(40,171)
Total shareholders’ equity/(deficiency)	(38,587)	(42,119)
Total Liabilities and Shareholders’ Equity/(Deficiency)	$263,031	$273,574

The accompanying notes to consolidated financial statements are an integral part of these statements.

ARGO-TECH CORPORATION AND SUBSIDIARIES
(A Wholly-Owned Subsidiary of AT Holdings Corporation)

CONSOLIDATED STATEMENTS OF NET INCOME

(In thousands)
UNAUDITED

	26 Weeks Ended		13 Weeks Ended	
	April 27, 2002	April 28, 2001	April 27, 2002	April 28, 2001
Net revenues	$74,537	$80,012	$39,346	$44,684
Cost of revenues	41,853	44,576	22,277	23,762
Gross profit	32,684	35,436	17,069	20,922
Selling, general and administrative	11,772	11,203	6,207	5,773
Research and development	6,063	5,103	3,354	2,824
Amortization of intangible assets	1,708	3,757	854	1,878
Operating expenses	19,543	20,063	10,415	10,475
Income from operations	13,141	15,373	6,654	10,447
Interest expense	10,857	12,641	5,266	6,130
Other, net	(66)	(224)	(50)	(107)
Income before income taxes	2,350	2,956	1,438	4,424
Income tax provision	94	1,305	236	1,681
Net income	$ 2,256	$ 1,651	$ 1,202	$ 2,743

The accompanying notes to consolidated financial statements are an integral part of these statements.

ARGO-TECH CORPORATION AND SUBSIDIARIES
(A Wholly-Owned Subsidiary of AT Holdings Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 26 WEEKS ENDED APRIL 27, 2002 AND APRIL 28, 2001

(In thousands)
UNAUDITED

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 2,256	$ 1,651
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,484	2,794
Amortization of intangible assets and deferred financing costs	2,733	4,826
Accretion of bond discount	135	122
Compensation expense recognized in connection with employee stock ownership plan	1,260	1,680
Deferred income taxes	(1,131)	(546)
Changes in operating assets and liabilities:		
Receivables	8,388	440
Inventories	(719)	(1,322)
Prepaid expenses	(450)	(823)
Accounts payable	(1,212)	(314)
Accrued and other liabilities	(1,963)	(1,920)
Other, net	226	(229)
Net cash provided by operating activities	12,007	6,359
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(656)	(827)
Net cash used in investing activities	(656)	(827)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long-term debt	(9,306)	(4,655)
Purchase of AT Holdings stock from former ESOP participants	(458)	(1,340)
Dividend	(35)	(40)
Net cash used in financing activities	(9,799)	(6,035)
CASH AND CASH EQUIVALENTS:		
Net increase (decrease) for the period	1,552	(503)
Balance, Beginning of period	8,057	5,174
Balance, End of period	$ 9,609	$ 4,671

The accompanying notes to consolidated financial statements are an integral part of these statements.

ARGO-TECH CORPORATION AND SUBSIDIARIES
(A Wholly-Owned Subsidiary of AT Holdings Corporation)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 26 WEEKS ENDED APRIL 27, 2002 AND APRIL 28, 2001

(Unaudited)

1. BASIS OF PRESENTATION

The principal operations of Argo-Tech Corporation (a wholly-owned subsidiary of AT Holdings Corporation) and its subsidiaries include the design, manufacture and distribution of aviation products, primarily aircraft fuel pumps, throughout the world. In addition, Argo-Tech leases a portion of its Cleveland, Ohio manufacturing facility to other parties. Argo-Tech's fiscal year ends on the last Saturday in October. Argo-Tech is obligated to fulfill certain obligations of AT Holdings Corporation. As a result, those obligations have been reflected in its financial statements. Certain reclassifications have been made in the prior years' financial statements to conform to the current year presentation.

Argo-Tech Corporation is a parent, holding company with four wholly-owned operating subsidiaries that guarantee Argo-Tech's senior subordinated notes. Argo-Tech has no outside assets, liabilities or operations apart from its wholly-owned subsidiaries. The senior subordinated notes are fully, unconditionally, jointly and severally guaranteed by the guarantor subsidiaries, and therefore, separate financial statements of the guarantor subsidiaries will not be presented. Management has determined that the information presented by such separate financial statements is not material to investors. All of Argo-Tech's subsidiaries are guarantors except one wholly-owned subsidiary that has inconsequential assets, liabilities and equity. Its only operations are the result of intercompany activity, which is immediately dividended back to Argo-Tech.

2. UNAUDITED FINANCIAL INFORMATION

The financial information included herein is unaudited; however, the information reflects all adjustments (consisting solely of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation of Argo-Tech's financial position and results of operations and cash flows for the interim periods presented. The results of operations for the 26 weeks and 13 weeks ended April 27, 2002 are not necessarily indicative of the results to be expected for the full year.

3. INVENTORIES

Inventories are stated at standard cost which approximates the costs which would be determined using the first-in, first-out (FIFO) method. The recorded value of inventories is not in excess of market value. Inventories consist of the following (in thousands):

	April 27, 2002	October 27, 2001
Finished goods	$ 1,808	$ 2,100
Work-in-process and purchased parts	18,427	17,696
Raw materials and supplies	12,981	12,975
Total	33,216	32,771
Reserve for excess and obsolete inventory	(3,636)	(3,910)
Inventories — net	$29,580	$28,861

4. INTANGIBLE ASSETS

The following is a summary of intangible assets, other than goodwill (in thousands):

	April 27, 2002		October 27, 2001	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Intangible assets:				
Contracts	$17,100	$ 7,838	$17,100	$ 6,983
Spare parts annuity	38,200	7,697	38,200	6,857
Patents	387	114	387	102
Workforce-in-place	—	—	4,900	2,500
Total	$55,687	$15,649	$60,587	$16,442

Amortization expense recorded on the intangible assets for the 13 week and 26 week periods ended April 27, 2002 was $0.8 million and $1.7 million, respectively, and for the 13 week and 26 week periods ended April 28, 2001 was $1.0 million and $2.0 million, respectively. The reduction in the gross carrying amount and accumulated amortization in the table above reflect the removal of the intangible asset, workforce in place, which was reclassified from intangible assets to goodwill upon the adoption of SFAS No. 142. The estimated amortization expense for each of the five succeeding fiscal years 2002 through 2006 is $3.4 million, respectively.

5. CONTINGENCIES

Environmental Matters — The soil and groundwater at Argo-Tech's Cleveland, Ohio facility and the Costa Mesa, California facility contain elevated levels of certain contaminants which are currently in the process of being removed and/or remediated. Because Argo-Tech has certain indemnification rights from former owners of the facilities for liabilities arising from these or other environmental matters, in the opinion of Argo-Tech's management, the ultimate outcome is not expected to materially affect its financial condition, results of operations or liquidity.

Other Matters — Argo-Tech is subject to various legal actions and other contingencies arising in the ordinary course of business. In the opinion of Argo-Tech's management, after reviewing the information which is currently available with respect to such matters and consulting with Argo-Tech's legal counsel, any liability which may ultimately be incurred with respect to these additional matters is not expected to materially affect Argo-Tech's financial condition, results of operations or liquidity.

6. SEGMENT INFORMATION

Argo-Tech operates in two business segments: Aerospace and Industrial. The Aerospace segment includes the design, manufacture and distribution of aviation products throughout the world consisting of aircraft fuel pumps, fuel flow related products found on a plane's airframe and aerial refueling systems. The Industrial segment includes the design, manufacture and distribution of industrial pumps, ground fueling system valves and related components, industrial marine cryogenic pumps for transferring liquefied natural gas and operation of a business park in Cleveland, Ohio where we maintain our headquarters and one of our production facilities.

Argo-Tech evaluates the performance of its segments based primarily on operating profit before amortization of goodwill, deferred financing fees and other identified intangibles, interest expense, interest income, other miscellaneous fees and income taxes.

The following table presents revenues and other financial information by business segment (in thousands):

13 Week Period Ended April 27, 2002

	Aerospace	Industrial	Corporate	Consolidated
Net revenues	$30,948	$8,398	$ —	$39,346
Operating profit(loss)	7,963	291	(746)	7,508
Amortization of intangible assets				854
Income from operations				6,654
Interest expense				5,266
Other, net				(50)
Income before income taxes				$ 1,438
Capital expenditures	255	188		443
Depreciation	696	343	172	1,211
Compensation expense recognized in connection with employee stock ownership plan	560	70		630

13 Week Period Ended April 28, 2001

	Aerospace	Industrial	Corporate	Consolidated
Net revenues	$37,211	$7,473	$ —	$44,684
Operating profit(loss)	13,050	(474)	(251)	12,325
Amortization of intangible assets				1,878
Income from operations				10,447
Interest expense				6,130
Other, net				(107)
Income before income taxes				$ 4,424
Capital expenditures	541	131		672
Depreciation	803	369	237	1,409
Compensation expense recognized in connection with employee stock ownership plan	742	98		840

26 Week Period Ended April 27, 2002

	Aerospace	Industrial	Corporate	Consolidated
Net revenues	$58,446	$16,091	$ —	$74,537
Operating profit(loss)	15,379	423	(953)	14,849
Amortization of intangible assets				1,708
Income from operations				13,141
Interest expense				10,857
Other, net				(66)
Income before income taxes				$ 2,350
Capital expenditures	384	272		656
Depreciation	1,418	681	385	2,484
Compensation expense recognized in connection with employee stock ownership plan	1,120	140		1,260

26 Week Period Ended April 28, 2001

	Aerospace	Industrial	Corporate	Consolidated
Net revenues	$66,471	$13,541	$ —	$80,012
Operating profit(loss)	20,711	(1,072)	(509)	19,130
Amortization of intangible assets				3,757
Income from operations				15,373
Interest expense				12,641
Other, net				(224)
Income before income taxes				$ 2,956
Capital expenditures	635	192		827
Depreciation	1,575	744	475	2,794
Compensation expense recognized in connection with employee stock ownership plan	1,482	198		1,680

7. OTHER COMPREHENSIVE INCOME (LOSS)

Other comprehensive income (loss) includes foreign currency translation adjustments and changes in the fair value of the interest rate swaps (in thousands).

	26 weeks ended		13 weeks ended	
	April 27, 2002	April 28, 2001	April 27, 2002	April 28, 2001
Net income	$2,256	$1,651	$1,202	$2,743
Other comprehensive income (loss):				
Foreign currency translation adjustment	(93)	138	111	55
Cumulative effect of accounting change		284		
Change in fair market value of interest rate swaps		(419)		(139)
Other comprehensive income (loss) before tax	(93)	3	111	(84)
Income tax benefit related to other comprehensive income (loss)		54		56
Other comprehensive income (loss), net of tax	(93)	57	111	(28)
Comprehensive income	$2,163	$1,708	$1,313	$2,715

8. NEW ACCOUNTING PRONOUNCEMENTS

Argo-Tech adopted Statement of Financial Accounting Standards (SFAS) No. 142, “Goodwill and Other Intangible Assets” as of October 28, 2001. Under this statement, goodwill and other intangibles determined to have an infinite life are no longer amortized; however, these assets are to be reviewed for impairment on a periodic basis. The initial step of the transitional impairment test is to be completed within six months of adoption of SFAS No. 142 and the final step of the transitional impairment test, if required, is to be completed by the end of the fiscal year. Argo-Tech tested goodwill for impairment during the second fiscal quarter of 2002 using a present value of future cash flows valuation method. This process did not result in any impairment to be recorded upon the adoption of SFAS No. 142.

Upon adoption of SFAS No. 142, $2.4 million related to the unamortized portion of the intangible asset, workforce in place, was reclassified from intangible assets to goodwill and the related long-term deferred tax liability of $1.0 million was reclassified to shareholders' equity/(deficiency). The following pro forma information shows what income would have been had SFAS No. 142 been in effect as of October 29, 2000:

	26 weeks ended		13 weeks ended	
	April 27, 2002	April 28, 2001	April 27, 2002	April 28, 2001
Net income as reported	$2,256	$1,651	$1,202	$2,743
Add amortization expense:				
Goodwill		1,744		872
Workforce in place, net of tax of $122 and $61		184		92
Adjusted net income	$2,256	$3,579	$1,202	$3,707

In June, 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." This statement requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred. The amount recorded as a liability will be capitalized by increasing the carrying amount of the related long-lived asset. Subsequent to initial measurement, the liability is accreted to the ultimate amount anticipated to be paid and is also adjusted for revisions to the timing of the amount of estimated cash flows. The capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain or loss upon settlement. The provisions of this statement become effective for Argo-Tech's fiscal year beginning October 27, 2002. Management has not determined the impact, if any, that this statement will have on Argo-Tech's consolidated financial statements.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long Lived Assets." This statement requires that one accounting model be used for long-lived assets to be disposed of by sale, whether previously held and used or newly acquired, and by broadening the presentation of discontinued operations to include more disposal transactions. The provisions of this statement become effective for Argo-Tech's fiscal year beginning October 27, 2002. Management has not determined the impact, if any, that this statement will have on Argo-Tech's consolidated financial statements.

ITEM 2.

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

Argo-Tech Corporation is a leading designer, manufacturer and servicer of high performance fuel flow devices for the aerospace industry providing a broad range of products and services to substantially all commercial and domestic military engine and airframe manufacturers, to airlines worldwide and to the U.S. and certain foreign militaries. Argo-Tech is the world's leading supplier of main engine fuel pumps to the commercial aircraft industry and a leading supplier of airframe products and aerial refueling systems. Argo-Tech is also a leading manufacturer of components for ground fueling systems and is a manufacturer of industrial marine cryogenic pumps.

The following is management's discussion and analysis of certain significant factors which have affected Argo-Tech's financial position and operating results during the periods presented in the accompanying condensed consolidated financial statements. Argo-Tech's fiscal year ends on the last Saturday of October and is identified according to the calendar year in which it ends.

Results of Operations for the 13 Week Period Ended April 27, 2002 Compared With the 13 Week Period Ended April 28, 2001

Net revenues for the 13 week period ended April 27, 2002 decreased $5.3 million, or 11.9%, to $39.3 million from $44.7 million for the 13 week period ended April 28, 2001. This decrease was primarily due to a decrease in aerospace revenues of $6.2 million offset by an increase of $0.9 million in industrial revenues. The decrease in aerospace revenues was attributable to a decrease of $8.1 million of commercial aerospace revenues offset by an increase of $1.9 million in military revenues. Commercial OEM revenues decreased $2.4 million, or 29.6%, to $5.7 million and commercial aftermarket revenues decreased $5.7 million, or 24.5%, to $17.6 million in the 13 week period ended April 27, 2002. Commercial OEM revenues declined as a result of lower overall engine requirements from our customers in response to decreasing aircraft build rates. Commercial aftermarket revenues were lower primarily due to a decrease in the demand for spare part sales as a result of the reduced flying capacity of commercial airlines. Military revenues increased primarily due to revenue related to increased sales of F-15 and F-16 airframe components and higher sales of aftermarket parts on a variety of aerial refueling and airframe programs. The $0.9 million increase in industrial revenues was primarily attributable to increased ground fueling revenues offset by a slight decrease in cryogenic pump and industrial gas turbine revenues.

Gross profit for the 13 week period ended April 27, 2002 decreased $3.8 million, or 18.2%, to $17.1 million from $20.9 million in the 13 week period ended April 28, 2001. Gross margin decreased to 43.5% for the 13 week period ended April 27, 2002 from 46.8% in the 13 week period ended April 28, 2001. The decrease in gross profit and gross margin is primarily due to the decrease of higher margin commercial aerospace aftermarket revenues and the lower absorption of fixed manufacturing overhead.

Operating expenses for the 13 week period ended April 27, 2002 decreased $0.1 million, or 1.0%, to $10.4 million from $10.5 million in the 13 week period ended April 28, 2001. This decrease is primarily attributable to the cessation of goodwill and workforce in place amortization of $1.0 million as a result of adopting SFAS No. 142 on October 28, 2001, offset by an increase in research and development expenses and selling, general and administrative expenses, which includes a non-cash expense of $0.6 million related to a salaried employee early retirement program. Operating expenses as a percent of revenues increased to 26.5% for the 13 week period ended April 27, 2002 as compared to 23.5% for the 13 week period ended April 28, 2001.

Income from operations for the 13 week period ended April 27, 2002 decreased $3.7 million, or 35.6%, to $6.7 million from $10.4 million in the 13 week period ended April 28, 2001. As a percent of revenues, income from operations for the 13 week period ended April 27, 2002 decreased to 17.0% from 23.3% for the 13 week period ended April 28, 2001. These decreases were primarily due to the decreased sales of higher margin commercial aerospace aftermarket revenues and the lower absorption of fixed manufacturing overhead.

Interest expense for the 13 week period ended April 27, 2002 decreased $0.8 million, or 13.1%, to $5.3 million from $6.1 million for the 13 week period ended April 28, 2001 due to lower outstanding borrowings and lower interest rates on the term loans.

The income tax provision for the 13 week period ended April 27, 2002 decreased $1.5 million to $0.2 million from $1.7 million in the 13 week period ended April 28, 2001. This decrease is due to a lower level of taxable income in the 13 week period ended April 27, 2002 as compared to the 13 week period ended April 28, 2001.

Net income for the 13 week period ended April 27, 2002 decreased $1.5 million to $1.2 million from $2.7 million for the 13 week period ended April 28, 2001 primarily due to the revenue and expense factors discussed above.

Results of Operations for the 26 Week Period Ended April 27, 2002 Compared With the 26 Week Period Ended April 28, 2001

Net revenues for the 26 week period ended April 27, 2002 decreased $5.5 million, or 6.9%, to $74.5 million from $80.0 million for the 26 week period ended April 28, 2001. This decrease was primarily due to a decrease in aerospace revenues of $8.0 million offset by a $2.5 million increase in industrial revenues. The decrease in aerospace revenues was attributable to a decrease of $12.0 million of commercial aerospace revenues offset by an increase of $4.0 million in military revenues. Commercial OEM revenues decreased $4.4 million, or 29.7%, to $10.4 million and commercial aftermarket revenues decreased $7.6 million, or 18.3%, to $34.0 million in the 26 week period ended April 27, 2002. Commercial OEM revenues decreased as a result of lower overall engine requirements from our customers in response to reduced aircraft build rates. Commercial aftermarket revenues were lower primarily due to a decrease in demand for spare part sales as a result of the reduced flying capacity of commercial airlines and a slight decrease in repair and overhaul services. Military revenues increased primarily due to revenue related to increased sales of F-15, F-16 and F-22 airframe components, F-18E/F 480 gallon fuel tank components and higher sales of aftermarket parts and overhaul services on a variety of aerial refueling and airframe programs. Industrial revenues increased $2.5 million, primarily due to an increase in ground fueling and cryogenic pump revenues.

Gross profit for the 26 week period ended April 27, 2002 decreased $2.7 million, or 7.6%, to $32.7 million from $35.4 million in the 26 week period ended April 28, 2001. Gross margin decreased to 43.9% for the 26 week period ended April 27, 2002 from 44.3% in the 26 week period ended April 28, 2001. The decrease in gross profit and gross margin is primarily due to the decrease in higher margin commercial aerospace aftermarket revenues and lower absorption of fixed manufacturing overhead offset by an increase in industrial revenues.

Operating expenses for the 26 week period ended April 27, 2002 decreased $0.4 million, or 2.0%, to $19.6 million from $20.0 million in the 26 week period ended April 28, 2001. This decrease is primarily attributable to the cessation of goodwill and workforce in place amortization of $2.0 million as a result of adopting SFAS No. 142 on October 28, 2001, offset by an increase in research and development expenses and selling, general and administrative expenses, which includes a non-cash expense of $0.6 million related to a salaried employee early retirement program. Operating expenses as a percent of revenues increased to 26.3% for the 26 week period ended April 27, 2002 as compared to 25.0% for the 26 week period ended April 28, 2001.

Income from operations for the 26 week period ended April 27, 2002 decreased $2.3 million, or 14.9%, to $13.1 million from $15.4 million in the 26 week period ended April 28, 2001. As a percent of revenues, income from operations for the 26 week period ended April 27, 2002 decreased to 17.6% from 19.3% for the 26 week period ended April 28, 2001. These decreases were due to the decrease in higher margin commercial aerospace aftermarket revenues and lower absorption of fixed manufacturing overhead offset by an increase in industrial revenues and lower operating expenses.

Interest expense for the 26 week period ended April 27, 2002 decreased $1.8 million, or 14.3%, to $10.8 million from $12.6 million for the 26 week period ended April 28, 2001 due to lower outstanding borrowings and lower interest rates on the term loans.

The income tax provision for the 26 week period ended April 27, 2002 decreased $1.2 million to $0.1 million from $1.3 million in the 26 week period ended April 28, 2001. This decrease is due to a lower level of taxable income for the 26 week period ended April 27, 2002 as compared to the 26 week period ended April 28, 2001 and a slightly higher tax benefit of the foreign sales corporation.

Net income for the 26 week period ended April 27, 2002 increased $0.6 million, or 35.3%, to $2.3 million from $1.7 million for the 26 week period ended April 28, 2001 primarily due to the revenue and expense factors discussed above.

Fluctuations of Operating Results; Limitation of Quarterly Comparisons

Argo-Tech’s results of operations are subject to fluctuations from quarter to quarter due to changes in demand for its products, changes in product mix and other factors. Demand for its products can vary from quarter to quarter due to changes in demand for, and timing of deliveries of, OEM, aftermarket and military products and services. In particular, the timing of Argo-Tech’s aftermarket sales tends not to occur on a predictable schedule and, furthermore, the sales tend to occur in large quantities that can significantly impact quarterly comparisons. Accordingly, year-to-year and quarter-to-quarter comparisons of quarterly results may not be meaningful, and quarterly results during the year are not necessarily indicative of the results that may be expected for any future period or for the entire year.

Liquidity and Capital Resources

Argo-Tech is a holding company that receives all of its operating income from its subsidiaries. As a result, Argo-Tech’s primary source of liquidity for conducting business activities and servicing its indebtedness has been cash flows from operating activities.

Cash and cash equivalents for the 26 week period ended April 27, 2002 increased $1.6 million to $9.6 million. This was primarily due to operating income and a decrease in accounts receivable offset by the scheduled repayment of the term loans, the purchase of stock from former ESOP participants, an increase in inventory and a decrease in accounts payable and accrued and other liabilities.

Capital expenditures for the 26 weeks ended April 27, 2002 totaled $0.7 million compared to $0.8 million for the 26 weeks ended April 28, 2001. Argo-Tech expects to incur capital expenditures of approximately $1.4 million for the remainder of fiscal year 2002, related to the continued maintenance of facilities, equipment and systems to support current operating activities.

Long-term debt at April 27, 2002 consisted of $51.1 million principal amount of term loans and $193.1 million principal amount of senior subordinated notes. Scheduled payments of $9.3 million were made on the term loans in the 26 week period ended April 27, 2002. Argo-Tech has available, after $1.1 million in letters of credit, an $18.9 million revolving credit facility. As of April 27, 2002, there were no outstanding borrowings on the revolving credit facility. The credit facility contains no restrictions on the ability of Argo-Tech’s subsidiaries to make distributions to Argo-Tech.

Certain Factors That May Affect Future Results

From time to time, information provided by Argo-Tech, statements by its employees or information included in its filings with the Securities and Exchange Commission (including those portions of the Management’s Discussion and Analysis that refer to the future) may contain forward-looking statements that are not historical facts. Those statements are “forward-looking” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements, and Argo-Tech’s future performance, operating results, financial position and liquidity, are subject to a variety of factors that could materially affect results. Some, but not necessarily all, of these factors include: Argo-Tech’s dependence on the aerospace industry; government regulation and oversight; defense spending; competition; product and environmental liabilities; and risks associated with its workforce, suppliers, and future acquisitions.

ITEM 3.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

In the ordinary course of operations, Argo-Tech's major market risk exposure is to changing interest rates. Argo-Tech's exposure to changes in interest rates relates primarily to its long-term debt obligations. At April 27, 2002, Argo-Tech had fixed rate debt totaling $195 million, including $1.9 million of accretion, at 8.625% and variable rate debt under its existing credit facility of $51.1 million calculated at Argo-Tech's choice using an alternate base rate (ABR) or LIBOR, plus a supplemental percentage determined by the ratio of debt to EBITDA. The variable rate is not to exceed ABR plus 1.50% or LIBOR plus 2.50%. Argo-Tech currently has no derivative contracts and does not enter into derivative contracts for trading or speculative purposes. A 10% fluctuation in interest rates would not materially affect Argo-Tech's financial condition, results of operations or cash flows.

PART II — OTHER INFORMATION

Item 6 — Exhibits and Reports on Form 8-K

(a) Exhibits — None

Reports on Form 8-K — None

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.

Date: June 10, 2002

ARGO-TECH CORPORATION

By: /s/ Frances S. St. Clair

Frances S. St. Clair
Vice President and Chief Financial Officer
(Duly Authorized Officer)

By: /s/ Paul A. Sklad

Paul A. Sklad
Controller
(Principal Accounting Officer)