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

FORM 10-Q

Quarterly Report Under Section 13 or 15 (d)
of the Securities Exchange Act of 1934

For the Quarter Ended November 30, 2001
Commission File No. 1-4714

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

INDIANA	35-1038277
(State of Incorporation)	(IRS Employee Identification No.)

P. O. Box 743, 2520 By-Pass Road Elkhart, IN 46515
(Address of principal executive offices) (Zip)

294-6521	(574)
(Registrant's telephone number)	(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__

Securities registered pursuant to Section 12 (b) of the Act:

Title of Class	Shares Outstanding January 11, 2002
Common stock	8,391,244

SKYLINE CORPORATION

Form 10-Q Quarterly Report

INDEX

Skyline Corporation and Subsidiary Companies

Consolidated Balance Sheets
Dollars in thousands

	November 30, 2001 (Unaudited)	May 31, 2001
ASSETS		
Current Assets		
Cash	$ 9,439	$ 5,450
Treasury Bills, at cost plus accrued interest	141,119	110,965
Investment in U. S. Treasury Notes	-	25,006
Accounts receivable, trade, less allowance for doubtful accounts of $40	25,559	30,757
Inventories	9,107	9,026
Other current assets	8,415	8,302
Total Current Assets	193,639	189,506
Property, Plant and Equipment, At Cost		
Land	6,637	6,637
Buildings and improvements	64,121	62,268
Machinery and equipment	26,668	26,633
	97,426	95,538
Less accumulated depreciation	55,130	53,494
Net Property, Plant and Equipment	42,296	42,044
Other Assets	4,252	4,128
	$240,187	$235,678

The accompanying notes are a part of the consolidated financial statements.

Skyline Corporation and Subsidiary Companies

Consolidated Balance Sheets
Dollars in thousands except per share data

	November 30, 2001 (Unaudited)	May 31, 2001
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable, trade	$ 4,641	$ 7,187
Accrued salaries and wages	7,906	8,245
Accrued profit sharing	1,359	2,380
Accrued marketing programs	13,303	7,386
Accrued warranty and related expenses	10,410	10,084
Other accrued liabilities	1,787	2,593
Income taxes	610	2,040
Total Current Liabilities	40,016	39,915
Other Deferred Liabilities	3,860	3,742
Commitments and Contingencies	-	-
Shareholders' Equity		
Common stock, $.0277 par value, 15,000,000 shares authorized; Issued 11,217,144 shares	312	312
Additional paid-in capital	4,928	4,928
Retained earnings	256,815	252,525
Treasury stock, at cost 2,825,900 shares at November 30, 2001 and May 31, 2001	(65,744)	(65,744)
Total Shareholders' Equity	196,311	192,021
	$240,187	$235,678

The accompanying notes are a part of the consolidated financial statements.

Skyline Corporation and Subsidiary Companies

Consolidated Statements of Earnings and Retained Earnings
For the three-month and six-month periods ended November 30, 2001 and 2000
(Unaudited)
Dollars in thousands except per share data

	Three-Months Ended November 30,		Six-Months Ended November 30,	
	2001	2000	2001	2000
Sales	$118,054	$120,907	$240,279	$253,059
Cost of sales	100,451	104,431	205,497	219,725
Gross profit	17,603	16,476	34,782	33,334
Selling and administrative expenses	12,600	13,261	25,407	26,914
Operating earnings	5,003	3,215	9,375	6,420
Interest income	1,189	2,027	2,670	3,954
Earnings before income taxes	6,192	5,242	12,045	10,374
Provision for income taxes:				
Federal	2,070	1,797	4,038	3,525
State	374	311	696	585
	2,444	2,108	4,734	4,110
Net earnings	3,748	3,134	7,311	6,264
Retained earnings, beginning of period	254,577	249,045	252,525	247,479
	258,325	252,179	259,836	253,743
Less cash dividends paid	1,510	1,539	3,021	3,103
Retained earnings, end of period	$256,815	$250,640	$256,815	$250,640
Basic earnings per share	$ .45	$ .37	$ .87	$ .73
Cash dividends per share	$ .18	$ .18	$ .36	$ .36
Weighted average common shares outstanding	8,391,244	8,475,784	8,391,244	8,544,731

The accompanying notes are a part of the consolidated financial statements.

Skyline Corporation and Subsidiary Companies

Consolidated Statements of Cash Flows
For the six-month periods ended November 30, 2001 and 2000
Increase (Decrease) in Cash
(Unaudited)
Dollars in thousands

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 7,311	$ 6,264
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Interest income earned on U.S. Treasury Bills and Notes	(2,670)	(3,954)
Depreciation	1,832	1,936
Amortization of premium on U.S. Treasury Notes	6	33
Working Capital Items:		
Accounts receivable	5,198	8,986
Inventories	(81)	127
Other current assets	(113)	(1,710)
Accounts payable, trade	(2,546)	254
Accrued liabilities	4,077	2,485
Income taxes payable	(1,430)	1,570
Other assets	(124)	(38)
Other deferred liabilities	118	27
Total Adjustments	4,267	9,716
Net cash provided by operating activities	11,578	15,980

Skyline Corporation and Subsidiary Companies

Consolidated Statements of Cash Flows, continued
For the six-month periods ended November 30, 2001 and 2000
Increase (Decrease) in Cash
(Unaudited)
Dollars in thousands

	2001	2000
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale or maturity of U. S. Treasury Bills	$ 196,822	$ 201,335
Purchase of U.S. Treasury Bills	(225,026)	(208,610)
Maturity of U.S. Treasury Notes	25,000	-
Interest received from U. S. Treasury Notes	719	719
Proceeds from sale of property, plant and equipment	21	-
Purchase of property, plant and equipment	(2,104)	(959)
Net cash used in investing activities	(4,568)	(7,515)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash dividends paid	(3,021)	(3,103)
Purchase of treasury stock	-	(5,724)
Net cash used in financing activities	(3,021)	(8,827)
Net increase (decrease) in cash	3,989	(362)
Cash at beginning of year	5,450	7,006
Cash at end of quarter	$ 9,439	$ 6,644

The accompanying notes are a part of the consolidated financial statements.

Skyline Corporation and Subsidiary Companies

Notes to the Consolidated Financial Statements
For the six-month period ended November 30, 2001

NOTE 1 Nature of Operations and Accounting Policies

The accompanying unaudited interim consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the consolidated financial position as of November 30, 2001, the consolidated results of operations for the three-month and six-month periods ended November 30, 2001 and 2000, and the consolidated cash flows for the six-month periods ended November 30, 2001 and 2000.

The unaudited interim consolidated financial statements included herein have been prepared pursuant to the rules and regulations for reporting on Form 10-Q. Accordingly, certain information and footnote disclosures normally accompanying the annual consolidated financial statements have been omitted. The interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Corporation's latest annual report on Form 10-K.

Inventories are stated at cost, determined under the first-in, first-out method, which is not in excess of market. Physical inventory counts are taken at the end of each reporting quarter. At November 30, 2001, total inventories consisted of raw materials, $4,075,000 work in process, $4,949,000, and finished goods, $83,000. At May 31, 2001, total inventories consisted of raw materials, $3,891,000, work in process, $5,098,000 and finished goods, $37,000.

The Corporation and its subsidiaries were contingently liable at November 30, 2001 under agreements to purchase repossessed units on floor plan financing made by financial institutions to its customers. Losses, if any, would be the difference between repossession cost and the resale value of the units. There have been no material losses in past years under these agreements, and none are anticipated in the future.

The Corporation is a party to various pending legal proceedings in the normal course of business. Management believes that any losses resulting from such proceedings would not have a material adverse effect on the Corporation's results of operations or financial position.

Skyline Corporation and Subsidiary Companies

Notes to the Consolidated Financial Statements
For the six-month period ended November 30, 2001

NOTE 2 Industry Segment Information
(Unaudited)
Dollars in thousands

	Three-Months Ended November 30, 2001	Three-Months Ended November 30, 2000	Six-Months Ended November 30, 2001	Six-Months Ended November 30, 2000
SALES				
Manufactured Housing	$ 96,160	$ 98,461	$187,107	$200,580
Recreational Vehicles	21,894	22,446	53,172	52,479
Total sales	$118,054	$120,907	$240,279	$253,059
EARNINGS BEFORE INCOME TAXES				
OPERATING EARNINGS (LOSS)				
Manufactured housing	6,902	4,835	12,069	8,649
Recreational vehicles	(679)	(586)	(118)	8
General corporate expense	(1,220)	(1,034)	(2,576)	(2,237)
Total operating earnings	5,003	3,215	9,375	6,420
Interest income	1,189	2,027	2,670	3,954
Earnings before income taxes	$ 6,192	$ 5,242	$ 12,045	$ 10,374

Operating earnings represent earnings before interest income, gain (loss) on sale of property, plant and equipment and provision for income taxes with non-traceable operating expenses being allocated to industry segments based on percentages of sales.

Report of Independent Accountants

December 14, 2001

To The Board of Directors and Shareholders of Skyline Corporation

We have reviewed the accompanying consolidated balance sheet of Skyline Corporation and Subsidiary Companies as of November 30, 2001, and the related consolidated statements of earnings and retained earnings for each of the three-month and six-month periods ended November 30, 2001 and 2000 and the consolidated statement of cash flows for the six-month periods ended November 30, 2001 and 2000. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquires of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet as of May 31, 2001, and the related consolidated statements of earnings and retained earnings and of cash flows for the year then ended (not presented herein), and in our report dated June 15, 2001 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of May 31, 2001, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

PRICEWATERHOUSECOOPERS LLP
Chicago, Illinois

Results of Operations for the Current Quarter Compared to the Same Quarter Last Year

Sales in the quarter ended November 30, 2001 were $118,054,000, a decrease of $2,853,000 from $120,907,000 in the comparable quarter of the prior year. Fiscal 2002 sales through November 30 were $240,279,000, a $12,780,000 decrease from prior year's sales of $253,059,000. Manufactured housing sales for the second quarter totaled $96,160,000 compared to $98,461,000 at November 30, 2000. Manufactured housing unit sales decreased from 2,978 to 2,792. This segment's fiscal year sales were $187,107,000 versus $200,580,000 while unit sales declined from 6,083 to 5,459. Second quarter recreational vehicle sales decreased from $22,446,000 in fiscal 2001 to $21,894,000 in fiscal 2002. Recreational vehicle unit sales for the quarter declined from 1,673 to 1,555. Fiscal year sales through November 30 were $53,172,000 versus $52,479,000. Unit sales declined from 3,935 to 3,881.

Cost of sales in the second quarter of fiscal 2002 was 85.1 percent of sales compared to 86.4 percent. Cost of sales for the first six months of fiscal 2002 was 85.5 percent versus 86.8 percent. The decrease is primarily attributable to a shift in product mix toward multi-section homes.

Quarterly selling and administrative expenses decreased slightly from 11.0 percent in fiscal 2001 to 10.7 percent in fiscal 2002. Fiscal 2002 and 2001 selling and administrative expenses as a percentage of sales were 10.6 percent.

Second quarter operating earnings as a percentage of sales for manufactured housing were 7.2 percent in fiscal 2002 versus 4.9 percent in the prior year. Year to date operating earnings were 6.4 percent in fiscal 2002 versus prior year's 4.3 percent. Recreational vehicle quarterly operating loss as a percentage of sales increased from 2.6 percent in fiscal 2001 to 3.1 percent. Fiscal year operating earning through November 30 decreased from breakeven to a loss of .2 percent. Earnings for manufactured housing improved due to a product mix shift from single-section homes toward multi-section homes. Earnings for recreational vehicles declined as a result of continued difficult market conditions.

Interest income amounted to $1,189,000 for the second quarter compared to prior year's $2,027,000. Interest income is directly related to the amount available for investment and the prevailing yields of U.S. Government securities.

Liquidity and Capital Resources

At November 30, 2001, cash and short-term investments in U. S. Treasury Bills totaled $150,558,000, an increase of $34,143,000 from $116,415,000 at May 31, 2001. Current assets exclusive of cash and investments in U.S. Treasury Bills totaled $43,081,000 at November 30, 2001, a decrease of $30,010,000 from the May 31, 2001 balance of $73,091,000. The decrease was due to the maturity of investments in U. S. Treasury Notes.

Results of Operations for the Current Quarter Compared to the Same Quarter Last Year (continued)

Current liabilities increased $101,000 from $39,915,000 at May 31, 2001 to $40,016,000 at November 30, 2001. Various factors contributed to the increase. Accrued marketing programs increased $5,917,000 due to the timing of payments for an ongoing marketing program. Accrued profit sharing decreased $1,021,000 primarily due to the timing of a yearly contribution to the Corporation's profit sharing plan. Income taxes decreased $1,430,000 due to a federal income tax payment during the second quarter. Trade accounts payable decreased $2,546,000 as a result of the timing of paying vendors at November 30 versus May 31.

Working capital at November 30, 2001 amounted to $153,623,000 compared to $149,591,000 at May 31, 2001. Capital expenditures totaled $2,104,000 during the first two quarters of fiscal 2002 compared to $959,000 in the previous year. Capital expenditures during the first six months were made primarily to increase manufacturing capacity, replace or refurbish machinery and equipment, and improve manufacturing efficiencies.

The cash provided by operating activities, along with current cash and other short-term investments, is expected to be adequate to fund any capital expenditures and treasury stock purchases during the year. Historically, the Corporation's financing needs have been met through funds generated internally.

Other Matters

The provision for federal income taxes in each year approximates the statutory rate and for state income taxes reflects current state rates effective for the period based upon activities within the taxable entities.

The consolidated financial statements included in this report reflect transactions in the dollar values in which they were incurred and, therefore, do not attempt to measure the impact of inflation. However, the Corporation believes that inflation has not had a material effect on its operations during the past three years. On a long-term basis, the Corporation has demonstrated an ability to adjust the selling prices of its products in reaction to changing costs due to inflation.

Forward Looking Information

Certain statements in this report are considered forward looking as indicated by the Private Securities Litigation Reform Act of 1995. These statements involve uncertainties that may cause actual results to materially differ from expectations as of the report date. These uncertainties include but are not limited to general economic conditions, interest rate levels, consumer confidence, market demographics, competitive pressures, and the success of implementing administrative strategies.

PART II

Item 1. Legal Proceedings

Information with respect to this Item for the period covered by this Form 10-Q has been previously reported in Item 3, entitled "Legal Proceedings" of the Form 10-K for the fiscal year ended May 31, 2001 heretofore filed by the registrant with the Commission.

Item 6. Exhibits and Reports on Form 8-K

A report on Form 8-K was filed on September 24, 2001. The report summarizes certain proceedings of a Board of Directors' meeting held that day. Proceedings that transpired include a By-law amendment increasing the number of board directors from nine to ten, the election of Thomas G. Deranek to fill the new director's position, the election of Arthur J. Decio to serve as Chairman of Directors, and the election of the Corporation's officers.

At a December 18, 2001 Board of Directors' Meeting, By-laws were amended pertaining to the signing of shareholder certificates, the calling of special meetings, the organization of meetings, the functions of the Governance and Compensation Committee, the execution of documents, and the functions of the Corporate Controller. Amended By-laws, Exhibits (3) (ii), are filed with this report.

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.

SKYLINE CORPORATION

DATE: January 11, 2002

James R. Weigand
V. P. Finance & Treasurer,
Chief Financial Officer

DATE: January 11, 2002

Jon S. Pilarski
Corporate Controller