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HAWAIIAN ELECTRIC INDUSTRIES INC  
Form 8-K  
January 24, 2002

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

FORM 8-K  
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report: January 23, 2002

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Exact Name of Registrant as Specified in Its Charter -----	Commission File Number -----	I.R.S. Employer Identification No. -----
Hawaiian Electric Industries, Inc.	1-8503	99-0208097
Hawaiian Electric Company, Inc.	1-4955	99-0040500

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State of Hawaii

-----  
(State or other jurisdiction of incorporation)

900 Richards Street, Honolulu, Hawaii 96813

-----  
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code:

(808) 543-5662 - Hawaiian Electric Industries, Inc. (HEI)  
(808) 543-7771 - Hawaiian Electric Company, Inc. (HECO)

None

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(Former name or former address, if changed since last report.)

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Item 5. Other Events

News release

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On January 23, 2002, HEI issued the following news release:

### HAWAIIAN ELECTRIC INDUSTRIES, INC. ANNOUNCES 2001 YEAREND EARNINGS

HONOLULU -- Hawaiian Electric Industries, Inc. (HEI) (NYSE - HE) announced 2001 net income from continuing operations of \$107.7 million, or \$3.19 per share compared with \$109.3 million, or \$3.36 per share for 2000. The Company's net income from continuing operations reflect strong results from the electric utilities and bank, offset by investment losses at the holding company.

"The downturn in Hawaii tourism post-September 11 continues to present challenges to maintaining earnings. We managed to meet these challenges in 2001 through cost containment efforts at the utility and active asset and liability management at the bank," said Robert F. Clarke, HEI chairman, president and chief executive officer.

Utility net income was up 1.2% to \$88.3 million for 2001 from \$87.3 million for 2000. "An increase in kilowatthour sales pre-September 11, a concerted effort to contain costs and continued productivity improvements helped the utility increase earnings in 2001," said Clarke.

Kilowatthour sales were up 1.1% in 2001 compared with 2000 largely due to warmer weather and a growing state economy pre-September 11. "Looking forward, we anticipate kilowatthour sales will increase by 1.1% in 2002, slightly greater than the growth in the state economy, which local economists expect will be about 0.6%. Supporting our outlook is the recent rebound in visitor counts, which have increased to approximately 90% of prior year levels as of December 31, 2001," said Clarke.

Purchased power costs were up in 2001 due to greater availability of purchased power in the supply mix as a result of shorter overhaul schedules and maintenance downtime by independent power producers. However, maintenance expenses were lower in 2001 due to ongoing cost management and completion of reliability improvements in 2000.

American Savings Bank posted solid results this year with net income growing 19.4% to \$48.5 million versus \$40.6 million in 2000. "American Savings Bank was able to execute several key investment sales in 2001 that generated \$5.2 million in net income for the bank," said Clarke. "With the unprecedented 11 Federal Funds Rate cuts, there was some downward pressure on our interest rate spread. However, the sales and increased fee income helped propel the bank to record earnings."

Interest rate spread--the difference between yield on interest-earning assets and the rate paid on interest-bearing liabilities--was slightly lower for 2001 at 3.17%, compared with 3.20% for 2000. Average interest-earning assets increased slightly in 2001 to \$5.6 billion.

Net income for 2001 was \$83.7 million, or \$2.48 per share, compared with \$45.7 million, or \$1.41 per share for 2000. Losses from discontinued operations for 2001 were \$24.0 million or \$0.71 per share, compared with \$63.6 million or \$1.95 per share for 2000 and primarily reflect charges related to the discontinuance of HEI's international power subsidiary in the third quarter of 2001.

HEI is the largest Hawaii-based company, providing electric utility services to 95% of Hawaii's residents and a full array of banking services to consumers and businesses through the state's third largest bank.

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Forward-looking Statements

This release may contain "forward-looking statements," that are subject to risks and uncertainties. Forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions, and usually include words such as expects, anticipates, intends, plans, believes, predicts, estimates or similar expressions. Forward-looking statements in this release should be read in conjunction with "Forward-looking statements" set forth on page v of HEI's Form 10-Q for the quarter ended September 30, 2001 (incorporated by reference herein) and in HEI's future periodic reports that discuss important factors that could cause HEI's results to differ materially from those anticipated in such statements. Forward-looking statements speak only as of the date of this release.

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Hawaiian Electric Industries, Inc. and subsidiaries  
 CONSOLIDATED STATEMENTS OF INCOME  
 (unaudited)

(in thousands, except per share amounts)	2001	Quarters ended December 31, 2000
-----		
Revenues		
Electric utility	\$ 315,844	\$ 342,596
Bank	108,564	117,616
Other	(5,099)	2,381
	-----	-----
	419,309	462,593
	-----	-----
Expenses		
Electric utility	274,259	306,043
Bank	83,674	100,059
Other	3,888	3,148
	-----	-----
	361,821	409,250
	-----	-----
Operating income (loss)		
Electric utility	41,585	36,553
Bank	24,890	17,557
Other	(8,987)	(767)
	-----	-----
	57,488	53,343
	-----	-----
Interest expense-		
other than bank	(19,265)	(19,711)
Allowance for borrowed funds		
used during construction	547	702
Preferred stock dividends of		
subsidiaries	(502)	(502)
Preferred securities distributions of		
trust subsidiaries	(4,009)	(4,009)

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Allowance for equity funds used during construction	1,021	1,278	
	-----	-----	
Income from continuing operations before income taxes	35,280	31,101	
Income taxes	10,076	9,687	
	-----	-----	
Income from continuing operations	25,204	21,414	
Discontinued operations, net of income taxes			
Loss from operations	-	(45,791)	
Net loss on disposals	(1,966)	-	
	-----	-----	
Loss from discontinued operations	(1,966)	(45,791)	
	-----	-----	
Net income (loss)	\$ 23,238	\$ (24,377)	\$
	=====	=====	
Per common share			
Basic earnings (loss)			
Continuing operations	\$ 0.73	\$ 0.65	\$
Discontinued operations	(0.06)	(1.39)	
	-----	-----	
	\$ 0.67	\$ (0.74)	\$
	=====	=====	
Diluted earnings (loss)			
Continuing operations	\$ 0.73	\$ 0.65	\$
Discontinued operations	(0.06)	(1.39)	
	-----	-----	
	\$ 0.67	\$ (0.74)	\$
	=====	=====	
Dividends	\$ 0.62	\$ 0.62	\$
	=====	=====	
Weighted-average number of common shares outstanding	34,644	32,864	
	=====	=====	
Adjusted weighted-average shares	34,851	33,013	
	=====	=====	
Income (loss) from continuing operations by segment			
Electric utility	\$ 18,464	\$ 14,527	\$
Bank	15,377	10,198	
Other	(8,637)	(3,311)	
	-----	-----	
Income from continuing operations	\$ 25,204	\$ 21,414	\$
	=====	=====	

This information should be read in conjunction with the consolidated financial statements and the notes thereto incorporated by reference in HEI's Annual Report on SEC Form 10-K for the year ended December 31, 2000 and 2001 (when filed) and the consolidated financial statements and the notes thereto in HEI's Quarterly Reports on SEC Form 10-Q for the quarters ended March 31, 2001, June 30, 2001 and September 30, 2001.

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Hawaiian Electric Company, Inc. (HECO) and subsidiaries  
Consolidated Statements of Income

Years ended  
December 31,

(in thousands)

	2001	2000
Operating revenues	\$ 1,284,312	\$ 1,270,635
Operating expenses		
Fuel oil	346,728	362,905
Purchased power	337,844	311,207
Other operation	125,565	123,779
Maintenance	61,801	66,069
Depreciation	100,714	98,517
Taxes, other than income taxes	120,894	119,784
Income taxes	55,434	55,213
	1,148,980	1,137,474
Operating income	135,332	133,161
Other income		
Allowance for equity funds used during construction	4,239	5,380
Other, net	3,197	4,555
	7,436	9,935
Income before interest and other charges	142,768	143,096
Interest and other charges		
Interest on long-term debt	40,296	40,134
Amortization of net bond premium and expense	2,063	1,938
Other interest charges	4,697	6,990
Allowance for borrowed funds used during construction	(2,258)	(2,922)
Preferred stock dividends of subsidiaries	915	915
Preferred securities distributions of trust subsidiaries	7,675	7,675
	53,388	54,730
Income before preferred stock dividends of HECO	89,380	88,366
Preferred stock dividends of HECO	1,080	1,080
Net income for common stock	\$ 88,300	\$ 87,286

### Other electric utility information

Kilowatthour sales (millions)	9,370	9,272
Cooling degree days (Oahu)	4,911	4,707
Fuel cost per barrel	\$ 33.49	\$ 33.44

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Hawaiian Electric Industries, Inc.  
 Supplemental Data to 4th Quarter Earnings Release  
 Page 2

American Savings Bank, F.S.B. and subsidiaries	Years ended December 31,	
Consolidated Income statement data	2001	2000
----- (in thousands)	-----	-----
Interest income	\$ 399,651	\$ 423,575
Interest expense	213,585	238,875
	-----	-----
Net interest income	186,066	184,700
Provision for loan losses	(12,500)	(13,050)
Other income	44,951	27,307
Operating, administrative and general expenses	(136,418)	(128,916)
	-----	-----
Operating income	82,099	70,041
Minority interest	213	225
Income taxes	27,944	23,774
	-----	-----
Income before preferred stock dividends	53,942	46,042
Preferred stock dividends	5,411	5,412
	-----	-----
Net income	\$ 48,531	\$ 40,630
	=====	=====
Interest rate spread (%)	3.17	3.20

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### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized. The signature of the undersigned companies shall be deemed to relate only to matters having reference to such companies and any subsidiaries thereof.

HAWAIIAN ELECTRIC INDUSTRIES, INC.  
 (Registrant)

HAWAIIAN ELECTRIC COMPANY, INC.  
 (Registrant)

/s/ Robert F. Mougeot

/s/ Richard A. von Gnechten

-----  
 Robert F. Mougeot  
 Financial Vice President, Treasurer  
 and Chief Financial Officer  
 (Principal Financial Officer of HEI)

-----  
 Richard A. von Gnechten  
 Financial Vice President  
 (Principal Financial Officer of HECO)

Date: January 23, 2002

Date: January 23, 2002

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