U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-KSB

[X] ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

FOR THE TRANSITION PERIOD FROM ________ TO ________

COMMISSION FILE NO. 0-23590

SUPER VISION INTERNATIONAL, INC.
(NAME OF SMALL BUSINESS ISSUER IN ITS CHARTER)

DELAWARE	59-3046866
(State or Other Jurisdiction of Incorporation Or Organization)	(I.R.S. Employer Identification No.)

8210 PRESIDENTS DR., ORLANDO, FLORIDA 32809

(Address of Principal Executive Offices) (Zip Code)

(407) 857-9900

(Issuer's Telephone Number, Including Area Code)

Securities registered under Section 12 (b) of the Exchange Act: None.

Securities registered under Section 12(g) of the Exchange Act:

CLASS A COMMON STOCK, $.001 PAR VALUE
(Title of Class)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 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 [ ]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [X]

State issuer's revenues for its most recent fiscal year: $11,785,237.

The aggregate market value of the Common Stock of the Registrant held by non-affiliates of the Registrant computed by reference to the last sales price at which the stock was sold on March 15, 2002 was $7,897,815.

As of March 15,2002, there were issued and outstanding: 2,083,110 shares of Class A Common Stock, $.001 par value and 483,264 shares of Class B Common Stock, $.001 par value

Transitional Small Business Disclosure form (check one):
Yes[ ]   No   [X]

Documents Incorporated by Reference:

Portions of the Company's definitive proxy statement in connection with its Annual Meeting of stockholders scheduled to be held on May 14, 2002 are incorporated by reference in Part III. The Company's definitive proxy statement will be filed with the Securities and Exchange Commission within 120 days after December 31, 2001.

PART I

Item 1. Description of Business.

GENERAL

Super Vision International, Inc. (the "Company") is a designer and manufacturer of LED and fiber optic lighting products, signs and displays for applications in the signage, swimming pool, architectural, and retail industries. The Company derives its revenues primarily from sales of SIDE-GLOW(R) and END-GLOW(R) fiber optic lighting cables, and fiber optic lighting sources, accessories, endpoint signs and displays. The Company also designs, markets and sells fiber optically lit waterfalls and water features. The Company markets and distributes products primarily through a network of independent sales representatives and distributors.

The Company was incorporated in Delaware on December 16, 1993 and is the successor by merger to a Florida corporation of the same name, which was incorporated in January 1991. The Company's executive offices are located at 8210 Presidents Dr., Orlando, Florida 32809 and its telephone number is (407) 857-9900.

PRODUCTS AND SERVICES

SIDE-GLOW(R)AND END GLOW(R)CABLES

The Company's SIDE-GLOW(R)fiber optic lighting cables utilize a patented center core in the manufacturing process to produce a plastic cable which, when used in conjunction with halogen or metal -halide light source, emits light along its entire length. The Company markets SIDE-GLOW(R) cable as an alternative to neon lighting for indoor and outdoor architectural accents and large signs and displays. The SIDE-GLOW(R) fiber optic lighting cable is flexible and easy to install, is not prone to the breakage associated with glass neon tubes and is energy efficient, providing significant savings in electrical costs. In addition, unlike neon, which remains a constant color, the light source for our fiber optic lighting cable makes the cable capable of changing color. While our fiber optic lighting products cannot yet achieve neon's level of brightness and are generally more costly to purchase and install, the Company believes the benefits of its SIDE-GLOW(R) cable outweigh these factors for a large segment of the current neon market. In addition, the cables can be combined with standard or custom manufactured light sources and control systems to create color changing patterns and unique lighting systems. The cables are offered in a variety of diameters with a wide range of light sources.

END GLOW(R) cables are utilized to transmit cool, ultra violet and heat free light from a remote light source to the object or area being lighted. The Company markets its END GLOW(R) cables in conjunction with its line of light sources and lighting accessories for a variety of applications from swimming pool and spa lighting to display case lighting and residential landscape lighting. END GLOW(R) cables allow for unique lighting of areas or objects with the added benefits of fiber optics. Utilizing its state of the art fiber optic cabling systems, the Company is able to custom manufacture END GLOW(R) cables to user specifications, in order to deliver the required amount of light to the object at the most affordable cost.

The Company's SIDE-GLOW(R) and END GLOW(R) cables have been incorporated in diverse locations worldwide. Applications of these products can be found in the following places: the world's largest fiber optically lit pool in the Westin Hotel, St. John's, U.S. Virgin Islands; Universal Studios CityWalk, Florida; the Coca-Cola sign in New York Times Square; and the Pepsi Cola sign in Caracas, Venezuela.

During 2001, the Company's SIDE-GLOW(R) and END GLOW(R) cable products accounted for approximately 35% of the Company's total revenues. The Company believes that this product area offers the largest growth potential and, therefore, the Company intends to devote the majority of its engineering, sales and marketing efforts to expand this area of its business and the related light sources product line described below.

LIGHT SOURCES

The Company manufactures a variety of light sources used in conjunction with its SIDE-GLOW(R) and END GLOW(R) fiber optic cables and lighting accessories to create full lighting systems. Each line of light sources was created to meet specific market needs and applications. The light sources are manufactured to meet the standards established by Underwriters Laboratories and comparable certifying bodies worldwide. The Company currently manufactures numerous standard catalog light sources for the following: endpoint fiber optic applications and certain SIDE-GLOW(R) applications; swimming pool and residential applications; display case and interior theme lighting industries; and commercial lighting and signage. The Company also manufactures a wide variety of custom light sources for specific market needs based on a survey of the customer's lighting application.

The Company utilizes control systems with its light sources to allow for customization of lighting systems. All of the Company's light sources are designed to accept a variety of unique controller options, allowing the basic light sources to meet a wide variety of market needs. Multiple light sources can be sequenced using the Company's proprietary control systems to create special lighting effects.

Light source product lines represented approximately 39% of the Company's total revenue during 2001. The Company believes that maintaining a competitively priced and commercially superior line of light sources is critical to continued growth in all of the Company's product lines and markets. The Company plans to devote significant resources to continue development of these products and markets.

ENDPOINT SIGNS AND DISPLAYS

The Company designs, manufactures, and installs endpoint fiber optic signs and custom displays for advertising, signage and point of purchase displays. Custom patterns are created using sophisticated design tools and software, which are then tailored to customer specifications. These patterns are fed into automated equipment to produce drilled patterns in the subject material. Fiber optic filaments are then placed, treated and gathered to a light source. Utilizing a variety of techniques, the fibers are then ordered within the light source and computer generated color disk assembly to create the desired visual effects. During 2001, endpoint signs and displays accounted for approximately 5% of the Company's total revenues.

LIGHTING ACCESSORIES

The Company sells a variety of lighting accessories and fixtures for use with its fiber optic cables and light sources. These fixtures include underwater lens assemblies, display case fixtures, downlights and landscape accessories. The accessories and fixtures are used to provide direct object lighting, decorative accent lighting and special effect lighting. The Company believes that providing these fixtures and accessories to the market enhances the Company's ability to market its fiber optic products as a full lighting package, as opposed to a component line. During 2001, lighting accessories accounted for approximately 9% of the Company's total revenues.

LED LIGHTING SYSTEMS

During the first half of 2001, the Company introduced a line of lighting products using LED technology for signs, safety/warning lamps, lighting strips, swimming pools and spas, architectural lighting, or wherever a small light source is required. The Company's FlexLED product was designed specifically for illuminating channel letters. LED lighting systems accounted for approximately 4% of the Company's total revenue in 2001.

WATERFALLS

The Company designs and manufactures fiber optically lit waterfalls and water features primarily used in swimming pools and spas, through its wholly owned subsidiary, Oasis Waterfalls LLC. During 2001, sales of Oasis Waterfalls LLC products and services accounted for approximately 8% of the Company's total revenue.

SALES AND MARKETING

The Company's products are utilized in a wide variety of applications; consequently, the Company utilizes numerous marketing channels and strategies to address target users.

From November 1998 to October 2000, the Company had an exclusive distribution, sales and marketing agreement with Cooper Lighting, Inc. and Cooper Industries (Canada), Inc. pursuant to which Cooper acquired the North American rights to market, sell and distribute the Company's products to certain markets including the architectural lighting market. In consideration for these rights, Cooper agreed to purchase up to $47,075,000 of the Company's products over a five-year period. Cooper did not meet its minimum purchase commitments. Effective October 31, 2000, Cooper and the Company mutually agreed to terminate the exclusive distribution agreement. The Company did not derive any revenue from Cooper

during 2001, compared to approximately 13% in 2000. Separate from the distributorship agreement with Cooper, the Company received an order from Regent Lighting Corporation, an affiliate of Cooper, in September 2000, to supply outdoor lighting products. The Company derived approximately $839,000 or 7% of its total revenues from Regent Lighting Corporation during 2001, compared to approximately 13% in 2000.

The Company currently markets and distributes its products through a network of approximately 90 individual lighting agencies covering the United States and Canada. The independent lighting agencies provide assistance in the lighting specification process and direct the customer to purchase products from the Company.

From September 1996 to October 2001, the Company had an exclusive distribution agreement with Hayward Pool Products, Inc., the world's largest swimming pool products supplier, pursuant to which Hayward acquired the worldwide rights to market and sell the Company's fiber optic lighting products in the swimming pool and spa market. On August 15, 2001, the Company reached an agreement with Hayward terminating Hayward's exclusive distribution rights, as of September 30, 2001. The agreement with Hayward allowed the Company to commence direct selling of its fiber optic lighting products in the swimming pool and spa market worldwide, except in the United States and Canada, as of August 15, 2001, and within the United States and Canada as of October 1, 2001. The termination of Hayward's exclusive distribution rights also released Hayward from any annual minimum purchase commitments for 2001 and beyond. The Company derived approximately 16% of its total revenues from Hayward in 2001 compared to approximately 28% in 2000.

The Company currently markets and sells its lighting products in the swimming pool and spa market through a network of independent manufacturer's representatives. The Company believes the new direct distribution channels will allow it to more closely serve its customers as well as offer new services such as the bundling of product and installation.

International sales accounted for approximately 26% of the Company's total revenue for 2001 compared to approximately 25% in 2000. The Company enters into exclusive and non-exclusive marketing and sales arrangements with leading lighting companies in international territories. The Company provides technical expertise and limited marketing support, while its international distributors provide sales staff, local marketing, and product service. The Company believes its international distributors are better able to service international markets due to their understanding of local market conditions and best business practices.

The Company utilizes a combination of direct marketing and manufacturer's representatives for its signage product lines in order to reduce end user costs. The Company also markets endpoint signs and displays directly to end users, principally Fortune 500 companies worldwide. The Company also utilizes direct sales efforts to create specific applications for its lighting products for large national commercial and retail lighting projects, including original equipment manufacturer (OEM) opportunities.

MANUFACTURING AND SUPPLIERS

The fiber optic strands used in the Company's endpoint signs and displays, as well as the production of its SIDE-GLOW(R) and END GLOW(R) cables, are purchased from a key Japanese supplier. While the Company believes there are alternative sources for the fiber optic strands used in the production of its endpoint signs and displays, the Company believes its SIDE-GLOW(R) and END GLOW(R) cables require fiber optic material of a higher quality than is generally available elsewhere.

The Company uses customized cabling and extrusion equipment to internally produce its SIDE-GLOW(R)and END GLOW(R) cables. In August 1997, simultaneously with relocating to the Company's current facility, the Company upgraded and retrofitted its cabling and extrusion equipment to increase quality and production capability. Monitoring and, when desirable, revising the manufacturing process has allowed the Company to increase quality, improve capabilities and maintain process control. In the event the cabling and extrusion equipment is ever disabled for any significant period of time, the Company could outsource the manufacturing of its products.

The Company manufactures the light sources and control systems used with its SIDE-GLOW(R) and END GLOW(R) cables and endpoint signs and displays in its facility in Orlando, Florida. The designs of the light sources are considered proprietary, and the Company has U.S. patents issued with respect to certain designs. All endpoint signs and displays are manufactured directly by the Company based on the clients' specifications, or designed jointly by the Company's design personnel and its client. The Company believes its ability to offer a full range of products, and design, engineering and support services, are unique in the market place, and are important to its future growth.

RESEARCH AND PRODUCT DEVELOPMENT

The Company constantly strives to enhance its existing products. The Company plans to develop additional products and identify new markets and distribution channels. The Company considers its ability to constantly improve existing

products, rapidly introduce new products to fill identified needs, and design solutions for custom applications to be critical to its growth. The Company believes its responsiveness to the market to be an important differentiating factor, and it will continue to provide rapid response to market trends. The Company believes that the increasing market for fiber optic lighting products in general may attract larger companies into the market with more capital and technical personnel than the Company currently employs. Accordingly, the Company plans to continue to explore joint product development activities with its marketing partners to maintain its competitive advantage and defend its market position.

During 2001 the Company, spent approximately $456,000 on engineering and product development activities, as compared to approximately $455,000 in 2000. The Company feels its future success will depend, in large part, on its ability to continue to improve and enhance its existing products as well as develop new products and applications for its LED and fiber optic lighting technologies.

The Company believes increased levels of spending on research and development is necessary to successfully develop a product which has the brightness of neon and which can be sold at a comparable price. Additionally, as new market opportunities are identified, increased levels of spending on product development may occur so the Company can rapidly design, engineer and produce products to fill these market needs.

COMPETITION

The Company currently faces competition from both traditional lighting technologies such as neon and florescent lighting and from competitors specifically engaged in fiber optic lighting. Several larger companies which are currently engaged in traditional lighting technologies or lighting component manufacturing have announced their intention of entering the fiber optic lighting market through acquisition or formation of divisions or subsidiaries dedicated to penetrating the fiber optic lighting market. There can be no assurance that a large conventional lighting company will not enter the market and utilize its resources to capture significant market share and adversely affect the Company's operating results.

Traditional lighting technologies have the advantage of a long history of market acceptance and familiarity as compared to the Company's fiber optic products. The Company believes that education of its target market as to the advantages of fiber optic lighting systems is critical to its future.

The Company competes with traditional lighting on the basis of maintenance costs, safety issues, energy consumption, price and brightness. The Company believes its products can effectively compete against traditional lighting in the areas of maintenance costs, safety and energy consumption. The Company's lighting systems offer the advantage of centralized light source maintenance for lamp replacement. This feature is superior to other lighting systems, such as neon, which require maintenance throughout the lighting system. Additionally, the SIDE-GLOW(R) and END GLOW(R) cables are virtually maintenance and breakage free, as opposed to neon and other comparable lighting products which experience high breakage rates both in the field and in shipment. This reduced breakage also results in an additional advantage in the area of safety. Further, the Company's products result in a voltage free light, which is particularly beneficial in wet and underwater applications, where risk of shock from electricity in the lighted path is an issue. The Company's products also eliminate the majority of heat and radiation at the light output, which can be advantageous in applications where these factors may not be desirable, particularly with respect to lighting accessories such as task lighting and display case lighting.

The Company's products may not favorably compete with traditional lighting on the basis of price for smaller lighting systems and in particular with neon systems in smaller scale applications, which comprise a large portion of the available market. Additionally, fiber optic lighting systems do not equal neon's brightness in a cost-effective manner for many applications. In applications calling for maximum brightness and competitive cost, the Company's products may not be able to compete effectively with traditional lighting products.

The Company currently faces competition from a defined number of companies directly involved in the field of fiber optic lighting addressed by its SIDE-GLOW(R) and END GLOW(R) cables and light source products. These companies utilize a technology similar to the Company and compete generally on the basis of price and quality. The Company believes it may compete favorably in markets where price is the central issue. There can be no assurance, however, that the current competitors directly involved in this industry or a new competitor will not develop processes or technology which will allow them to decrease their costs and related selling price, and consequently, erode the Company's price advantage.

PATENTS AND PROPRIETARY RIGHTS

The Company considers its technology and procedures proprietary and relies primarily on patent and trade secret laws and confidentiality agreements to protect its technology and innovations. Employees of the Company, as well as technical consultants who may be hired from time to time, enter into confidentiality and/or invention assignment agreements and non-competition agreements providing for non-disclosure of proprietary and trade secret information of the Company and the assignment to the Company of all inventions, improvements, technical information and suggestions relating in any way to the business of the Company (whether patentable or not) which the employee or consultant develops during the period of their employment or association with the Company. Despite these restrictions, it may be possible for competitors or customers to copy one or more aspects of the Company's products or obtain information that the Company regards as proprietary. Furthermore, there can be no assurance that others will not independently develop products similar to those sold by the Company. The Company therefore believes that producing the highest possible quality products at the most competitive prices is the best means to protect against competitive innovations.

The Company has been issued a United States patent relating to the reflective center core used in the process of manufacturing its SIDE-GLOW(R) cables and has received Patent Cooperation Treaty protection of this patent overseas. The Company also has two United States patents on methods of manufacturing alternative versions of fiber optic cables. Additionally, the Company has acquired a United States patent related to the method of manufacturing a fiber optic image magnification device. While there is no guarantee that this patent can be developed into a commercially viable product, the Company believes that expansion of the applications for its fiber optic technologies are important to the possible achievement of future growth objectives. The Company has a fifth patent related to its light source technology and a device for connecting fiber optic cables to the light source. The Company also has several patent applications pending with respect to a variety of new product innovations and manufacturing methods.

The Company will continue to seek patent protection where appropriate for future developments, improvements and enhancements to its technology. There can be no assurance, however, that the Company's patent or patents that may be issued in the future will provide the Company with sufficient protection in the case of an infringement of its technology or that others will not independently develop technology comparable or superior to the Company's. Although the Company believes that the products sold by it do not and will not infringe upon the patents or violate the proprietary rights of others, it is possible that such infringement or violation has occurred or may occur. In the event that products sold by the Company are deemed to infringe upon the patents or proprietary rights of others, the Company could be required to modify its products or obtain a license for the manufacture and/or sale of such products.

The Company has obtained approval for a registered trademark for the "Super Vision" name, and has filed for a European community trademark. Additionally, the Company has obtained registered trademarks on the brand names SIDE-GLOW(R) and END GLOW(R) related to the Company's fiber optic cables, and European community trademark applications have been filed as well. The Company believes the trademarks may help in its efforts to achieve brand recognition, although there can be no assurance to such effect.

EMPLOYEES

At March 6, 2002, the Company had 62 full-time employees, including 5 in research and development, 15 in sales, marketing and customer service, 13 in finance and administration and 29 in production and quality control. None of the Company's employees are currently covered by a collective bargaining agreement and the Company considers its employee relations to be good. The Company also utilizes temporary and part time employees as required by the volume of business, primarily in the area of production.

Item 2. Description of Property.

The Company's executive offices and manufacturing facility are located in approximately 70,000 square feet of leased space in Orlando, Florida. The lease expires in June 2012 and provides for a base monthly rental. Rental payments amounted to approximately $598,000 in 2001. Max King Realty, an entity controlled by Brett Kingstone, the Chairman and Chief Executive Officer of the Company, owns the building that houses the Company's facilities. On March 1, 2002 the Company entered into an agreement to sub-lease 20,000 square feet of office/warehouse space within its facility. The term of the sub-lease began March 1, 2002 and ends on February 28, 2003. The monthly rent payable to the Company is $13,250 per month plus expenses for a pro rata portion of power and water consumption.

Item 3. Legal Proceedings.

On November 18, 1999 the Company filed a lawsuit (case number CI-99-9392) in the Circuit Court of the 9th Judicial Circuit in and for Orange County Florida against Jack Caruso, Samson Mong Wu, Susan Sumida Wu, Debbie Wu, Thomas Wu, Lily Cheung, Ruby Lee, James C. Lee, Tony Lee, Optic-Tech International Corporation, Shanghai Qiaolong Optic-Tech International Company, Ltd., Marsam Trading Corporation, Marsam Trading Corporation (HK) Ltd., David Winkler, Gitto/Global Corp., James J. Grimley, Nick Semenza, Rami Yosefian, Sanford Properties, Inc., Jose Rosario Cruz, Ronald Elgin Simon, and Travis Pochintesta (collectively, the "Defendants"). This is an industrial espionage action in state court. The Company has made various allegations against the Defendants, individually and collectively. These allegations include fraud, breach of contract, breach of fiduciary duty, tortious interference with existing business relationships, tortious interference with contractual relationships, tortious interference with prospective business advantage, unjust enrichment, violations of Florida's Uniform Trade Secrets Act, civil conspiracy, violations of Florida's RICO Act and other conduct sufficient to provide grounds for replevin and other equitable relief (i.e., accounting, constructive trust and injunctive relief). The Defendants have been enjoined from further violating their respective non-compete and confidentiality agreements with the Company. They are also prohibited from the exploitation of business opportunities or prospective business opportunities of the Company and enjoined from any and all acts, omissions or behavior which in any way has an adverse effect on the Company's property interests. Three of the Defendants, Gitto/Global Corporation, Nick Semenza and James Grimely have been dismissed from the litigation by the Company. One of the Defendants, Marsam Trading Corporation, which filed for bankruptcy in November 1999, was recently granted a dismissal from its Chapter 11 action; thus lifting the automatic stay that otherwise shields a debtor from any state court actions against it. This will enable the Company to proceed against Marsam in court. At this time, Defendants Jack Caruso, Samson Wu, Susan Wu, Thomas Wu, David Winkler, Optic-Tech International Corporation and Tony Lee have invoked their Fifth Amendment right to protection from self-incrimination. These Defendants attempted to stay the civil action pending the resolution of pending criminal charges against them, but their motion to stay was denied. Discovery (subject to the limitations prescribed by the Fifth Amendment privilege) and investigation is ongoing. As of May 15, 2000 Jose Rosario Cruz and Ronald Elgin Simon were dismissed as parties in the case. The Defendants have filed counterclaims against the Company for wrongful injunction, attempted monopolization, and conversion. The Company believes it has meritorious defenses to these counterclaims. The Defendants respective motions to dismiss the Company's amended complaint were denied by the court. The defendants have answered the complaint, denying everything and maintaining their counterclaims. On September 19, 2000 the Fifth District Court of Appeal ruled against the Defendants in their appeal regarding their motion to dissolve the temporary injunction order. The case has not yet been scheduled for trial. Plans are to vigorously pursue this lawsuit.

On March 4, 2002, the Company filed a lawsuit (case number 6:02-CV-270-ORL-19JGG) in the United States District Court for the Middle District of Florida against Color Kinetics Incorporated ("Color Kinetics"). This is an action for declaratory judgment that certain patents of Color Kinetics are invalid, that the Company's products do not infringe any of such patents, and that such patents are unenforceable. Color Kinetics has notified the Company that it believes that certain Company products may infringe certain of Color Kinetics' patents for LED lighting systems. The Company intends to vigorously defend itself against this allegation.

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

No matters were submitted to a vote of the security holders of the Company during the fourth quarter of the fiscal year covered by this report.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters.

(a) The Company's Class A Common Stock has traded on the Nasdaq SmallCap Market under the symbol SUPVA since March 22, 1994. The following table sets forth the high and low bid prices of the Class A Common Stock for the fiscal years ended December 31, 2001 and 2000 as reported by the NASDAQ Small Cap Market.

	Bid Prices	
	High	Low
Year ended December 31, 2001		
First Quarter	7	5-1/2
Second Quarter	7-3/5	6-1/8
Third Quarter	7	5-3/4
Fourth Quarter	6-3/4	5-1/10

Year ended December 31, 2000		
First Quarter	9-7/8	6
Second Quarter	8-3/8	7-5/8
Third Quarter	8	7
Fourth Quarter	7-3/4	5-1/2

Such market quotations reflect inter-dealer prices, without retail mark-up, mark-down, or commission, and may not necessarily represent actual transactions.

(b) The number of holders of record of the Company's Class A Common Stock as of March 15, 2002 was 34.

(c) The Company has never paid a cash dividend on its Common Stock (either Class A or Class B) and intends to continue to follow a policy of retaining earnings to finance future growth. Accordingly, the Company does not anticipate the payment of cash dividends to holders of Common Stock in the foreseeable future.

Item 6. Management's Discussion and Analysis of Results of Operations and Financial Condition

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements and Notes thereto appearing elsewhere in this report.

Results of Operations

Revenues

Revenues are derived primarily from sales of SIDE-GLOW(R) and END GLOW(R) fiber optic cables, light sources, lighting accessories, endpoint signs and displays along with fiber optically lit waterfalls and water features. Revenues for 2001 were approximately $11,785,000 as compared to approximately $11,654,000 during the preceding year, an increase of approximately $131,000 or 1%. The increase was primarily the result of growth in the architectural and waterfalls markets, which increased 21% and 119% respectively over 2000. Revenues from the sign and pool and spa markets decreased 13% and 40% respectively as compared to 2000.

The Company derived approximately 16% of its total revenues from Hayward Pool Products, Inc. in 2001 compared to approximately 28% in 2000. Previously, Hayward was the exclusive worldwide distributor of the Company's fiber optic lighting products in the swimming pool and spa market. On August 15, 2001, the Company reached an agreement with Hayward terminating Hayward's exclusive distribution rights as of September 30, 2001. The agreement with Hayward allowed the Company to commence direct selling of its fiber optic lighting products in the swimming pool and spa market worldwide, except in the United States and Canada, as of August 15, 2001, and within the United States and Canada as of October 1, 2001. The Company has agreed to pay Hayward royalties on gross sales of fiber optic pool lighting products sold in the U.S. and Canada

over a term of five years at the rate of 5% of gross sales in the first year, 3% in the second and third years and 2% in the fourth and fifth years with a $100,000 minimum payment due during each of the Company's fiscal years ending December 31, 2002 and 2003. Pursuant to the agreement, Hayward also agreed to return certain fiber optic lighting products previously sold by the Company to Hayward and to return vested warrants covering 49,896 shares of the Company's Class A common stock previously issued to Hayward all in exchange for $300,000 paid by the Company to Hayward in December 2001. The settlement payment of $300,000 was allocated to the returned inventory at its fair market value of approximately $155,000, to the returned vested warrants at their fair market value on August 15, 2001, the measurement date, of approximately $43,000 and the balance of the settlement payment of approximately $102,000 was recorded as a one-time charge to operations in December 2001. The inventory repurchased from Hayward represents the Company's manufactured fiber optic lighting products, which had been directly purchased by Hayward from the Company from January 1, 2000 through September 30, 2001. The shares underlying Hayward's remaining warrants and other shares of the Company's stock owned by Hayward are subject to certain registration rights. The termination of Hayward's exclusive distribution rights also released Hayward from any annual minimum inventory purchase commitments for 2001 and beyond.

The Company believes that directly marketing its pool products through its network of independent manufacturer's representatives will allow the Company to more closely serve its customers as well as offer new services such as the bundling of product and installation. The Company expects this direct approach to increase revenues and gross margin from the sale of its pool and spa products.

Gross Margin

Gross margin for the twelve months ended December 31, 2001 was approximately $4,119,000, a 10% increase over 2000. The gross margin percentage for the year 2001 was 35% as compared to 32% in 2000. The gross margin is dependent, in part, on product mix, as well as the mix of customers, which fluctuates from time to time. The 10% increase in the amount of gross margin over the twelve months ended December 31, 2000 was mainly due to the increased sales volume of domestic architectural lighting products. The increase in the gross margin percentage from 32% to 35% was the result of enhancements to the Company's sales process, a lower mix of revenue from pool related products that were sold at a significant discount off list price to Hayward related to the Company's now terminated distributor agreement with Hayward, and the implementation of cost reductions in material components.

The Company will continue to focus on improving gross margin and profitability through aggressively pursuing reductions of the cost of key material components and manufacturing costs. To that end, the Company is in the process of sourcing assembly of illuminators overseas, which is expected to have a favorable impact on the overall gross margin and lower production costs in 2002 and beyond. The assembly of illuminators overseas has reduced the Company's manufacturing space requirements and has allowed the Company to sub-lease 20,000 square feet of its facility for the period March 1, 2002 to February 28, 2003 to an unrelated party. The base rental for the sub-lease is $13,250 per month, plus expenses, for a pro rata portion of power and water consumption.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for 2001 were approximately $4,350,000 or 37% of revenues compared to approximately $3,323,000 or 29% of revenues for 2000, an increase of approximately $1,027,000 or 31% from the preceding year. The increase was primarily due to additional sales and marketing related expenses to support the Company's domestic architectural lighting market as well as a one-time charge of approximately $102,000 taken for the Hayward settlement. The Company currently expects that selling, general and administrative expense will continue to increase in absolute dollars in order to support the distribution of the Company's product offering in the domestic architectural lighting market as well as the pool and spa market on a direct basis through its network of agents and independent manufacturer representatives.

Research and Development

Research and development costs were approximately $456,000 during the twelve months ended December 31, 2001 as compared to approximately $455,000 during the same period in 2000. Research and development costs are expensed as incurred, primarily in advance of any related sales and in some cases may not ultimately generate sales.

Interest

The Company had interest income for the year 2001 of approximately $122,000 compared to approximately $187,000 for 2000, a decrease of approximately $65,000 or 35% due to lower average cash balances during the year. The Company's interest expense was approximately $431,000 for the year ended December 31, 2001 as compared to approximately $439,000 for 2000 and is related to the capital lease for the Company's facility in Orlando, Florida.

Income Tax

The Company has provided a full valuation allowance against income tax benefits resulting from losses incurred on operations and as a result there was no provision for income tax in 2001 or 2000.

Net Loss

The net loss for the twelve months ended December 31, 2001 was approximately $999,000, or $0.39 per basic and diluted common share, as compared to a net loss of approximately $259,000 or $0.10 per basic and diluted share, for the twelve months ended December 31, 2000. The increase in loss is primarily due to higher selling, general and administrative expenses partially offset by increased gross margin.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2001, the Company had working capital of approximately $4,808,000, a decrease of approximately 20% from working capital of approximately $6,010,000 at December 31, 2000. During 2001, the Company financed its operations primarily from cash flow and cash on hand.

Cash Flows from Operating Activities

Net cash used in operations totaled approximately $553,000 for the year ended December 31, 2001. The net loss of approximately $999,000 was partly offset by the non-cash expense for depreciation and amortization of approximately $696,000. The most significant uses of cash in operations during 2001 were an increase in prepaid expenses of approximately $131,000 related to advance payments to certain suppliers for production of new product and an advance lease payment on the existing facility. Accounts receivable increased by approximately $66,000 in 2001 due to the timing of customer payments. The increase in prepaid expense and accounts receivable offset by a decrease in inventory of approximately $80,000 accounted for most of the change in operating assets and liabilities during 2001.

Net cash provided by operations totaled approximately $799,000 for the year ended December 31, 2000. The net loss of approximately $259,000 was partially offset by the non-cash expense for depreciation and amortization of approximately $658,000. Cash provided by operating activities for the year ended December 31, 2000, included an increase in accounts payable of approximately $395,000 due to the timing of payments to suppliers, which was offset by an increase in prepaid expense and inventory of approximately $69,000 and $ 158,000, respectively. These changes accounted for most of the change in operating assets and liabilities in 2000.

Cash Flows from Investing Activities

Net cash used in investing activities for the years ended December 31, 2001 and 2000 totaled approximately $319,000 and $310,000, respectively. Capital expenditures of approximately $368,000 for prototype and design equipment, purchase of computer hardware and software, furniture and fixtures and tooling accounted for most of the investing activities for 2001. Proceeds from the sale of investments in the amount of $1,000,000, resulted from the maturity of U.S. Corporate Securities and the conversion of these securities to cash in August 2001. The Company also purchased shares in a fixed income mutual fund in May 2001, totaling approximately $500,000 and purchased a fixed income corporate bond for approximately $460,000 in October 2001. The fixed income corporate bond earns interest at the rate of 5.875% and matures in January 2003.

The Company made capital expenditures of approximately $247,000 for tooling, leasehold improvements in connection with the Company's new showroom, computer and office equipment and trade show fixtures during 2000.

Cash Flows from Financing Activities

Net cash provided by financing activities for the year ended December 31, 2001 was approximately $10,000. Payments on capital lease obligations (see footnote # 3 in the financial statements) in the amount of approximately $68,000 were offset by approximately $79,000 in proceeds, from the exercise of employee stock options in 2001.

In 2000, proceeds from the exercise of employee stock options of approximately $58,000 were offset by approximately $47,000 in payments of the capital lease obligation.

The Company believes that available cash, together with funds expected to be generated from operations, will be sufficient to finance the Company's working capital requirements, as well as planned expansion for the next twelve months as currently contemplated.

CRITICAL ACCOUNTING POLICIES

The Company utilizes certain accounting policies and procedures to manage changes that occur in its business environment that may affect accounting estimates made in preparation of its financial statements. These estimates relate primarily to the Company's allowance for doubtful accounts receivable and provision for inventory obsolescence. The Company's strategy for managing doubtful accounts includes stringent, centralized credit policies and collection procedures for all customer accounts. The Company utilizes a credit risk rating system in order to measure the quality of individual credit transactions. The Company strives to identify potential problem receivables early, take appropriate collection actions, and maintain adequate reserve levels. The Company's strategy for its provision for inventory obsolescence includes the evaluation of existing inventory usage and realizable value. Typically, no provision is recorded for inventory that is currently used and sold within a reasonable time frame. Management has determined that the allowance for doubtful accounts and provision for inventory obsolescence is adequate at each period end.

RELATED PARTY TRANSACTIONS

On September 27, 1996, Super Vision entered into a lease agreement with Max King Realty, an entity controlled by Mr. Kingstone, our President, Chief Executive Officer and Chairman of the Board, for approximately 70,000 square feet of warehouse and office space. We began occupying this facility in August 1997. The lease term expires in June 2012. Rental payments for the year ended December 31, 2001 amounted to approximately $598,000. The lease agreement was approved by all of the disinterested directors of Super Vision, with Mr. Kingstone abstaining from the vote. At the time we entered in the lease agreement, based on then current economic conditions, the real estate market, and our prospects, we believed that the transaction was on terms, when taken as a whole, no less favorable to Super Vision than could generally be obtained from unaffiliated third parties.

See also Note 6 to the consolidated financial statements.

RECENT ACCOUNTING PRINCIPLES

In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 141 "Business Combinations," and SFAS No. 142 "Goodwill and Other Intangible Assets," which change the accounting for business combinations and goodwill. SFAS No. 141 requires that the purchase method of accounting be used for business combinations initiated after June 30, 2001. Use of the pooling-of-interests method will be prohibited. SFAS No. 142 changes the accounting for goodwill from an amortization method to an impairment-only approach. Amortization of goodwill, including goodwill recorded in past business combinations, will therefore cease upon adoption of the Statement, which for the Company will be January 1, 2002. The implementation of these Statements is not expected to have a material impact on the Company's financial position or results of operations.

In June 2001, the FASB issued Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" (FAS 143). FAS 143 changes the measurement of an asset retirement obligation from a cost-accumulation approach to a fair value approach, where the fair value (discounted value) of an asset retirement obligation is recognized as a liability in the period in which it is incurred and accretion expense is recognized using the credit-adjusted risk-free interest rate in effect when the liability was initially recognized. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and subsequently amortized into expense. The pre-FAS 143 prescribed practice of reporting a retirement obligation as a contra-asset will no longer be allowed. SFAS No. 143 becomes effective for fiscal years beginning after June 15, 2002. The implementation of this Statement is not expected to have a material impact on the Company's financial position or results of operations.

In August 2001, the FASB issued SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets," which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. While SFAS No. 144 supersedes both SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" and APB Opinion No. 30, "Reporting the Results of Operations- -Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," it retains the fundamental provisions of those Statements. SFAS No. 144 became effective for fiscal years beginning after December 15, 2001. The implementation of this Statement is not expected to have a material impact on the Company's financial position or results of operations.

SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" was adopted by the Company in 2001 and its adoption had no effect on the Company's operating results or the financial position.

FACTORS THAT MAY AFFECT FUTURE RESULTS AND MARKET PRICE OF STOCK

Forward-Looking Statements. This report contains certain forward-looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange Act, and the Cautionary Safe Harbor Disclosure for Forward Looking Statements under the Private Securities Litigation Reform Act of 1995, which provide that, because of the factors set forth below, as well as other variables affecting the Company's operating results, past financial performance should not be considered a reliable indicator of future performance and investors should not use historical trends to anticipate results or trends in future periods. The statements contained herein, which are not historical facts, are forward-looking statements that are subject to meaningful risks and uncertainties, including, but not limited to, the following additional factors to consider. In some cases, you can identify forward-looking statements by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "forecast", "intend", or "potential". Additional information concerning these or other factors which could cause actual results to differ materially from those contained or projected in, or even implied by, such forward-looking statements is contained in this report and also from time to time in the Company's other Securities and Exchange commission

("SEC") filings. Copies of these filings are available from the Company and/or the SEC. Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the forward-looking information will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as a representation by the Company or any other person that the objectives or plans of the Company will be achieved.

The Company Has A History Of Operating Losses And May Not Be Able To Operate Profitability. The Company has experienced annual losses of ($999,233), ($259,211), ($355,741) and ($1,541,478) for each of the years ended December 31, 2001, 2000, 1999 and 1998, respectively. The Company faces significant challenges in order to reach profitability. In order for the Company to be successful and to grow, it will need to successfully address these challenges. Most of the Company's expenses are fixed in nature, and generally unable to reduce expenses significantly in the short-term to compensate for any unexpected delay or decrease in anticipated revenues. As a result, the Company may continue to experience losses on a quarterly or annual basis, which could cause the market price of the Company's Class A common stock to decline.

General Economic And Industry Conditions May Effect Business. Any general economic, business or industry conditions that cause customers or potential customers to reduce or delay their purchases of lighting products, signs or displays could have a material adverse effect on Company, its prospects and financial performance. Worldwide economic conditions could have an effect on the demand for the Company's products and could result in declining revenue and earnings. The U.S. economy has been softening since the end of 2000. If this trend continues, as appears likely, the Company may experience difficulties collecting accounts receivable, sales and demand for the Company's products may decrease, and the operating results will probably suffer.

Quarterly Operating Results Fluctuate As A Result Of Many Factors. Quarterly revenues and operating results have fluctuated and are likely to continue to vary from quarter to quarter due to a number of factors, many of which are not within the control of the Company. Factors that could affect revenues include, among others, the following:

- competitive factors, such as competitive pricing pressure and the potential introduction of new products by competitors;
- manufacturing factors, including constraints in the Company's manufacturing and assembly operations and shortages or increases in the prices of raw materials and components;
- sales and distribution factors, such as changes in product mix or distribution channels resulting in lower margins, increases in sales and marketing expenses, the loss of a significant distributor or sales representative, and seasonality of sales;
- product development and introduction problems, such as increased research, development and marketing expenses associated with new product introductions, delays in the introduction of new products and technologies, and adverse effects on sales of existing products;
- the ability to control costs, including levels of expenses relative to revenue levels;
- risk of product returns and exchanges; the Company can not be assured that it will not experience component problems in the future that could increase warranty reserves and manufacturing costs;
- the ability to develop, introduce, market and gain market acceptance of new products and product enhancements in a timely manner;
- the size, timing, rescheduling or cancellation of significant customer orders;
- the risk of loss of a significant customer;
- changes in the Company's pricing policies and the pricing policies of suppliers and competitors, pricing concessions on volume sales, as well as increased price competition in general;
- success in expanding and implementing our sales and marketing programs;
- relatively small level of backlog at any given time;

- the mix of sales among its products;

- deferrals of customer orders in anticipation of new products, or product enhancements;

- risks and uncertainties associated with international business;

- expenses that may be incurred in litigation;

- personnel changes;

- currency fluctuations and our ability to get currency out of certain foreign countries; and

- general economic and market conditions, including housing market trends, interest rates and the weather.

In addition, sales in any quarter may consist of a relatively small number of large customer orders. As a result, the timing of a small number of orders may impact quarter-to-quarter results. The loss of, or a substantial reduction in, orders from any significant customer could seriously harm the business, financial condition and results of operations.

Quarterly operating results are also substantially affected by the market's acceptance of the Company's products and the level and timing of orders received. Significant portions of the Company's expenses are relatively fixed in advance based upon forecasts of future sales. If sales fall below expectations in any given quarter, operating results will be adversely affected. In addition, certain product development and marketing expenditures may vary significantly from quarter to quarter and are made well in advance of potential resulting revenue.

Due to all of the factors listed above and other risks discussed in herein, future operating results could be below the expectations of securities analysts or investors. If that happens, the trading price of the Company's Class A common stock could decline. As a result of these quarterly variations, securities analyst or investors should not rely on quarter-to-quarter comparisons of the Company's operating results as an indication of the Company's future performance.

<u>If Fiber Optic Lighting Products Do Not Gain Wider Market Acceptance Business and Financial Performance May Suffer.</u> The Company derives net sales and income primarily from selling SIDE-GLOW(R) and END GLOW(R) fiber optic cables, light sources, lighting accessories, endpoint signs and displays, and fiber optically lit waterfalls and water features. The Company's fiber optic lighting products compete with traditional lighting technologies such as neon and florescent lighting. Traditional lighting technologies have the advantage of a long history of market acceptance and familiarity as compared to the Company's products. The initial purchase price of the Company's fiber optic lighting products is typically higher than conventional lighting, and the Company's products tend to be less bright than conventional alternatives. The Company's continued success will depend upon increased acceptance of fiber optic lighting products as an alternative to neon and other traditional lighting technologies. The Company's future results are dependent upon continued growth of the fiber optic lighting market. As part of the Company's sales and marketing strategy, the Company actively seeks to educate its target markets as to the advantages of fiber optic lighting systems. The Company believes that achievement of this objective is critical to its future success. Fiber optic lighting products may not continue to gain market share within the overall lighting market or competitors may introduce better lighting technologies, displacing fiber optic lighting products in the market. As a growth company, either of these occurrences could have a material adverse effect on the Company's business, results of operations, and the value of its securities.

<u>Sales Are Dependent Upon New Construction Levels And Are Subject To Seasonal Trends.</u> Sales of the Company's lighting products depend significantly upon the level of new building construction and renovation. Construction levels are affected by housing market trends, interest rates and the weather. Sales of the Company's pool and spa lighting products depend substantially upon the level of new pool construction. Because of the seasonality of construction, the Company's sales of swimming pool and lighting products, and thus the Company's overall revenues and income, have tended to be significantly lower in the first quarter of each year. Various economic and other trends may alter these seasonal trends from year to year, and the Company cannot predict the extent to which these seasonal trends will continue.

Future Success Depends On The Successful Development And Market Acceptance Of

New Products. The Company believes revenue growth and future operating results will depend in part on its ability to complete development of new products and enhancements to existing products, introduce these products in a timely, cost-effective manner, achieve broad market acceptance of these products and enhancements, and reduce the Company's product costs. The Company may not be able to introduce any new products or any enhancements to its existing products on a timely basis, or at all. In addition, the introduction of any new products could adversely affect the sales of certain of the Company's existing products. Market acceptance of the Company's new products depends upon many factors, including the Company's ability to accurately predict market requirements and evolving industry standards, the Company's ability to resolve technical challenges in a timely and cost-effective manner and achieve manufacturing efficiencies, the perceived advantages of the Company's new products over traditional products, and the marketing capabilities of the Company's independent distributors and strategic partners.

The Company Has Significant International Sales And Are Subject To Risks Associated With Operating In International Markets. International product sales represented approximately 26% of the Company's total revenues for the year ended December 31, 2001 and approximately 25% for the year ended December 31, 2000. The Company believes its international distributors are better able to service international markets due to their understanding of local market conditions and best business practices. International business operations are subject to inherent risks, including, among others:

- unexpected changes in regulatory requirements, tariffs and other trade barriers or restrictions;
- longer accounts receivable payment cycles;
- difficulties in managing and staffing international operations;
- potentially adverse tax consequences;
- the burdens of compliance with a wide variety of foreign laws;
- import and export license requirements and restrictions of the United States and each other country in which the Company operates;
- exposure to different legal standards and reduced protection for intellectual property rights in some countries;
- currency fluctuations and restrictions; and
- political, social and economic instability.

Any of these factors may adversely effect the Company's future international sales and, consequently, the Company's business and operating results. Furthermore, as the Company increases international sales, total revenues may also be affected to a greater extent by seasonal fluctuations resulting from lower sales that typically occur during the summer months in Europe and other parts of the world.

The Company believes that international sales will continue to represent a significant portion of its revenues, and that continued growth and profitability may require further expansion of the Company's international operations. Many of the Company's international sales are currently denominated in U.S. dollars. As a result, an increase in the relative value of the dollar could make the Company's products more expensive and potentially less price competitive in international markets. The Company does not engage in any transactions as a hedge against risks of loss due to foreign currency fluctuations.

Competition Is Increasing In A Number Of The Company's Markets. The lighting industry is highly competitive. The Company's product lines span major segments within the lighting industry and, accordingly, compete in a number of different markets with a number of different competitors. The Company competes with independent distributors, importers, manufacturers, and suppliers of lighting fixtures and other consumer products. The Company's competitors include some very large and well-established companies. Many of the Company's competitors have far greater name recognition and greater financial, technological, marketing and customer service resources than the Company. This may allow them to respond more quickly to new or emerging technologies and changes in customer requirements. It may also allow them to devote greater resources to the development, promotion, sale and support of their products than the Company can. The Company's competitors market products that compete with the Company's products on the basis of price and other factors. Some of these competitors do not maintain warehouse operations or do not perform all of the services the Company provides, which requires the Company to charge higher prices. The relatively low barriers to entry into the lighting industry and the limited proprietary nature of many lighting products also permit new competitors to enter the industry easily. The Company's ability to compete successfully in this highly competitive market depends upon its ability to manufacture and purchase quality components on favorable terms, ensure the Company's products meet safety standards, deliver the Company's products promptly at competitive prices, and provide a wide range of services. The Company anticipates that any future growth in fiber optic lighting will be accompanied by continuing increases in competition. Increased competition is likely to result in price reductions, reduced gross margins and loss of market share, any of which could seriously harm the Company's business, financial condition and results of operations.

The Company May Not Be Able To Adequately Protect Or Enforce Its Intellectual Property Rights. The Company considers its technology and procedures proprietary. If the Company is not able to adequately protect or enforce the proprietary aspects of its technology, competitors could be able to access the Company's proprietary technology and the Company's business, financial condition and results of operations could be harmed. The Company currently attempts to protect its technology through a combination of patent, copyright, trademark and trade secret laws, employee and third party nondisclosure agreements and similar means. Despite the Company's efforts, other parties may attempt to disclose, obtain or use the Company's technologies. The Company's competitors may also be able to independently develop products that are substantially equivalent or superior to the Company's products or design around its patents. In addition, the laws of some foreign countries do not protect the

Company's proprietary rights as fully as do the laws of the United States. As a result, the Company may not be able to protect its proprietary rights adequately in the United States or abroad.

The Company may receive notices that claim it has infringed upon the intellectual property of others. Even if these claims are not valid, they could subject the Company to significant costs. The Company has engaged in litigation in the past, and litigation may be necessary in the future to enforce its intellectual property rights or to determine the validity and scope of the proprietary rights of others. Litigation may also be necessary to defend against claims of infringement or invalidity by others. An adverse outcome in litigation or any similar proceedings could subject the Company to significant liabilities to third parties, require the Company to license disputed rights from others or require the Company to cease marketing or using certain products or technologies. The Company may not be able to obtain any licenses on terms acceptable at all. The Company also may have to indemnify certain customers or strategic partners if it is determined that it has infringed upon or misappropriated another party's intellectual property. Any of these results could adversely affect the Company's business, financial condition and results of operations. In addition, the cost of addressing any intellectual property litigation claim, both in legal fees and expenses, and the diversion of management resources, regardless of whether the claim is valid, could be significant and could seriously harm the Company's business, financial condition and results of operations.

Reliance On Third Parties For A Significant Portion Of Sales; Terms And Conditions Of Sales Are Subject To Change With Very Little Notice. The Company relies significantly on indirect sales channels to market and sell its products. Most of the Company's products are sold through independent distributors and agents. The Company's current agreements with indirect sales channels are non-exclusive with regard to lighting products in general, but exclusive with respect to fiber optic and LED lighting products. The Company anticipates that any such agreements it enters into in the future will be on similar terms. Furthermore, the Company's agreements are generally short-term, and can be cancelled by these sales channels without significant financial consequence. The Company cannot control how these sales channels perform and cannot be certain that either its customers or the Company will be satisfied by their performance. If these distributors and agents significantly change their terms with the Company, or change their historical pattern of ordering products from the Company, there could be a significant impact on the Company's revenues and profits.

Dependence On Third-Party Suppliers. The Company depends on others to manufacture a significant portion of the component parts incorporated into its products. The Company purchases its component parts from numerous third-party manufacturers and believes that numerous alternative sources of supply are readily available for most component parts. The Company depends on its suppliers to satisfy performance and quality specifications and to dedicate sufficient production capacity for components within scheduled delivery times. The Company does not maintain contracts with any of its suppliers; instead, it purchases components pursuant to purchase orders placed from time to time in the ordinary course of business. This means the Company is vulnerable to unanticipated price increases.

The Company purchases fiber optic strands from a single Japanese supplier. While the Company believes alternative sources for fiber optic strands are available to enable it to produce its endpoint signs and displays, the SIDE-GLOW(R) and END GLOW(R) cables require fiber optic material of a higher quality than the Company believes is generally available elsewhere. Accordingly, the loss of this supplier or delays in obtaining shipments could have a material adverse effect on the Company's operations until such time as an alternative supplier could be found.

The Company may be subject to various import duties applicable to materials manufactured in foreign countries and, in addition, may be affected by various other import and export restrictions, as well as other considerations or developments impacting upon international trade, including economic or political instability, shipping delays and product quotas. These international trade factors will, under certain circumstances, have an impact both on the cost of components (which will, in turn, have an impact on the cost to the Company of the manufactured product) and the wholesale and retail prices of its products.

The Company May Be Subject To Additional Risks. The risks and uncertainties described above are not the only ones facing the Company. Additional risks and uncertainties not presently known or currently deem immaterial may also adversely affect the Company's business operations.

Item 7. Consolidated Financial Statements

The following consolidated financial statements are filed as part of this report. This information appears in a separate section of this report.

<TABLE>
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Item 8. Changes in and disagreements with accountants on accounting and financial disclosure

On October 8, 2001, we engaged the accounting firm of Gallogly, Fernandez & Riley, LLP as our new independent public accountants and dismissed Ernst & Young LLP. The decision to change our accounting firm was approved by the audit committee of our Board of Directors and by our Board of Directors. During the two most recent fiscal years ended December 31, 2000 and 1999 and the subsequent interim reporting periods from the last audit date of December 31, 2000, through and including the termination date of October 8, 2001, there were no disagreements between us and Ernst & Young LLP on any matter of accounting principles or practices, financial statement disclosure, auditing scope or procedure, or any reportable events. The report of Ernst & Young LLP on the financial statements of the company for the two fiscal years ended December 31, 2000 and 1999, contained no adverse opinion or disclaimer of opinion and was not qualified or modified as to uncertainty, audit scope, or accounting principles.

We have not consulted with Gallogly, Fernandez &, Riley, LLP during the last two fiscal years ended December 31, 2000 and 1999 or during the subsequent interim reporting periods from the last audit date of December 31, 2000, through and including the termination date of October 8, 2001, on either the application of accounting principles or type of opinion Gallogly, Fernandez & Riley, LLP might issue on our financial statements.

We requested Ernst & Young LLP to furnish a letter addressed to the Securities and Exchange Commission stating whether Ernst & Young LLP agrees with the above statements made by us. A copy of this letter addressed to the Securities and Exchange Commission, dated October 10, 2001, is filed as Exhibit 16 to our Current Report on Form 8-K dated October 8, 2001.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act

See the sections captioned "Information About Directors and Executive Officers" and "Proposal 1: Elect Six Directors" included in the Company's definitive proxy statement in connection with its Annual Meeting of stockholders to be held on May 14, 2002, which sections are incorporated herein by reference.

Item 10. Executive Compensation

See the sections captioned "Information About Directors and Executive Officers," "Summary Compensation Table," "Aggregate Option Exercises During 2001 and Year-end Option Values," and "1994 Stock Option Plan" included in the Company's definitive proxy statement in connection with its Annual Meeting of stockholders to be held on May 14, 2002, which sections are incorporated herein by reference.

Item 11. Security Ownership of Certain Beneficial Owners and Management

See the section captioned "Information About Super Vision International, Inc. Common Stock Ownership" included in the Company's definitive proxy statement in connection with its Annual Meeting of stockholders to be held on May 14, 2002, which section is incorporated herein by reference.

Item 12. Certain Relationships and Related Transactions

See the section captioned "Arrangements with Officers and Directors" included in the Company definitive proxy statement in connection with its Annual Meeting of stockholders to be held on May 14, 2002, which section is incorporated herein by reference.

Item 13. Exhibits, Lists and Reports on Form 8-K

<TABLE>
(a)

<S>	<C>
3.1	Certificate of Incorporation of the Company/(1)/
3.2	Amendment to Certificate of Incorporation/(1)/
3.3	Amendment to Certificate of Incorporation/(6)/
3.4	Amendment to Certificate of Incorporation/(5)/
3.5	Bylaws/(1)/
4.1	Form of Class A Common Stock Certificate/(8)/
10.1	Super Vision International, Inc. 1994 Stock Option Plan, as amended and restated/(5)/
10.2	Employment Agreement between the company and Brett M. Kingstone/(1)/
10.3	Form of Indemnification Agreement/(1)/
10.4.1	Lease for Presidents Drive facility/(8)/
10.4.2	Amendment to lease for Presidents Drive facility/(8)/
10.5	Warrant Agreement dated as of March 31, 1997 between the company and Brett M. Kingstone/(2)/
10.6	Stock Purchase Agreement between the company and Hayward Industries, Inc. dated as of September 25, 1996, including exhibits/(3)/
10.7	Stock Purchase Agreement between the company and Cooper Lighting, Inc. dated as of November 23, 1998,including exhibits/(4)/
10.8	Agreement between the Kingstone Family Limited Partnership II and Hayward Industries, Inc. dated as of March 9, 1999/(8)/
10.9	Amendment to Registration Rights Agreement between the company and Hayward Industries, Inc. dated as of March 9, 1999/(8)/
10.10	Warrant Certificate registered in the name of Hayward Industries, Inc.*
21.1	Subsidiaries of the Registrant/(7)/
23.1	Consent of Gallogly, Fernandez & Riley *
23.2	Consent of Ernst & Young LLP*

</TABLE>

* Filed herewith

/(1)/ Incorporated by Reference to the Registrant's Registration Statement on

Form SB-2 (File No. 33-74742)
/(2)/ Incorporated by Reference to the Registrant's Quarterly Report on Form 10-QSB for the quarter ended June 30, 1997
/(3)/ Incorporated by reference to the Registrant's Current Report on Form 8-K dated September 25, 1996
/(4)/ Incorporated by reference to the Registrant's Quarterly Report on Form 10-QSB for the quarter ended September 30, 1997
/(5)/ Incorporated by reference to the Registrant's Definitive Proxy Statement filed April 29, 1997
/(6)/ Incorporated by reference to the Registrant's Definitive Proxy Statement filed April 22, 1998
/(7)/Incorporated by reference to the Registrant's Annual Report on Form 10-KSB for the year ended December 31, 2000
/(8)/ Incorporated by Reference to the Registrant's Registration Statement on Form SB-2 (File No. 333-73804)

(b) On October 12, 2001 the Company filed Form 8-K with the Securities and Exchange Commission for the change in the Company's certifying accountant to Gallogly, Fernandez & Riley LLP from Ernst and Young LLP.

SUPER VISION INTERNATIONAL, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Super Vision International, Inc.

We have audited the accompanying consolidated balance sheet of Super Vision International, Inc. and its subsidiary as of December 31, 2001, and the related consolidated statement of operations, stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Super Vision International, Inc. and its subsidiary as of December 31, 2001, and the consolidated results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

/s/ Gallogly, Fernandez & Riley LLP

Orlando, Florida
March 1, 2002

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Super Vision International, Inc.

We have audited the accompanying consolidated balance sheet of Super Vision International, Inc. and its subsidiary as of December 31, 2000, and the related consolidated statements of operations, stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Super Vision International, Inc. and its subsidiary as of December 31, 2000, and the consolidated results of their operations and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States.

/s/ Ernst & Young LLP

Orlando, Florida
March 7, 2001

SUPER VISION INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

ASSETS	December 31, 2001	December 31, 2000
<S>	<C>	<C>
Current Assets:		
Cash and cash equivalents	$ 812,336	$ 1,673,639
Investments	902,157	1,398,517
Trade accounts receivable, less allowance for Doubtful accounts of $162,016 and $146,693 at December 31, 2001 and 2000, respectively	2,091,165	2,024,701
Inventories, less reserve of $325,768 and $411,474 at December 31, 2001 and 2000, respectively	2,307,633	2,302,154
Prepaid expense	214,498	83,348
Other assets	19,497	26,000
Total current assets	6,347,286	7,508,359
Property and Equipment:		
Machinery and equipment	1,895,259	1,641,962
Furniture and fixtures	449,417	453,661
Computers	819,804	768,476
Vehicles	44,386	36,620
Leasehold improvements	982,575	976,646
Property held under capital lease	3,081,000	3,081,000
	7,272,441	6,958,365
Accumulated depreciation and amortization	(2,917,423)	(2,271,136)
Net property and equipment	4,355,018	4,687,229
Investments	456,746	--
Goodwill, less accumulated amortization of $8,423 and $4,679 at December 31, 2001 and 2000, respectively	17,781	21,524
Patents and trademarks less amortization of $54,810 and $41,028 at December 31, 2001 and 2000, respectively	132,190	134,321
Other assets	169,190	160,327
	$11,478,211	$12,511,760

LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 1,322,135	$ 1,317,007
Accrued compensation and benefits	96,139	86,918
Deposits	30,873	25,753
Current portion of obligation under capital lease	89,751	68,388
Total current liabilities	1,538,898	1,498,066
Obligation under capital lease, less current portion	2,970,805	3,060,556
Stockholders' Equity:		
Preferred stock, $.001 par value, 5,000,000 shares Authorized, none issued	--	--
Class A common stock, $.001 par value, authorized 16,610,866 shares, 2,083,110 and 2,065,543 issued and outstanding at December 31, 2001 and 2000, respectively	2,084	2,066
Class B common stock, $.001 par value, 3,389,134 shares authorized, 483,264 issued and outstanding at December 31, 2001 and 2000. Each share of Class B common stock is entitled to five votes per share	483	483
Accumulated other comprehensive loss	(30,655)	(9,938)
Additional paid-in capital	10,556,110	10,520,808
Accumulated deficit	(3,559,514)	(2,560,281)
Total stockholders' equity	6,968,508	7,953,138
	$11,478,211	$12,511,760

</TABLE>

See accompanying notes to consolidated financial statements.

SUPER VISION INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	Year Ended December 31, 2001	2000
<S>	<C>	<C>
Revenues	$11,785,237	$11,654,167
Cost and Expenses:		
Cost of sales	7,666,691	7,918,273
Selling, general and administrative	4,350,170	3,322,547
Research and development	456,032	455,447
Total costs and expenses	12,472,893	11,696,267
Operating loss	(687,656)	(42,100)
Non-operating income (expense):		
Interest income	122,086	186,693
Other Income	13,800	34,023
(Loss) Gain on sale of investments	(16,106)	15,725
Interest expense	(431,357)	(438,792)
Loss on disposal of property and equipment	--	(14,760)
Total non-operating expense	(311,577)	(217,111)
Net loss	$ (999,233)	$ (259,211)
Basic and diluted loss per common share	$ (0.39)	$ (0.10)
Basic and diluted weighted average shares outstanding	2,566,374	2,544,005

</TABLE>

See accompanying notes to consolidated financial statements.

SUPER VISION INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

<TABLE>
<CAPTION>

	Common Stock					
	Class A		Class B		Additional Paid-in Capital	Accumulated Deficit
	Shares	Amount	Shares	Amount		
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance, January 1, 2000	2,054,102	$2,054	483,264	$483	$10,374,565	$(2,301,070)
Issuance of common stock warrants	--	--	--	--	87,816	--
Exercise of employee stock options	11,441	12			58,427	
Net loss	--	--	--	--	--	(259,211)
Unrealized loss on available-for-sale Securities	--	--	--	--	--	--
Comprehensive loss						
Balance, December 31, 2000	2,065,543	$2,066	483,264	$483	$10,520,808	$(2,560,281)
Return and cancellation of vested common stock warrants	--	--	--	--	(43,410)	--
Exercise of employee stock options	17,567	18	--	--	78,712	--
Net Loss	--	--	--	--	--	(999,233)
Unrealized loss on available-for-sale securities	--	--	--	--	--	--
Comprehensive loss						
Balance, December 31, 2001	2,083,110	$2,084	483,264	$483	$10,556,110	$(3,559,514)

<CAPTION>

	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Comprehensive Loss
<S>	<C>	<C>	<C>
Balance, January 1, 2000	$ --	$8,076,032	--
Issuance of common stock warrants	--	87,816	--
Exercise of employee stockoptions	58,439	--	
Net loss	--	(259,211)	(259,211)
Unrealized loss on available-for-sale Securities	(9,938)	(9,938)	(9,938)
Comprehensive loss			$ (269,149)
Balance, December 31, 2000	$ (9,938)	$7,953,138	
Return and cancellation of vested common stock warrants	--	(43,410)	
Exercise of employee stock options	--	78,730	
Net Loss	--	(999,233)	(999,233)
Unrealized loss on available-for-sale securities	$(20,717)	(20,717)	(20,717)

	--------	----------	-----------
Comprehensive loss			$(1,019,950) ===========
Balance, December 31, 2001	$(30,655) ========	$6,968,508 ==========	

</TABLE>

See accompanying notes to consolidated financial statements.

SUPER VISION INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	Year Ended December 31, 2001	2000
<S>	<C>	<C>
Cash Flows from Operating Activities:		
Net loss	$ (999,233)	$ (259,211)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation	678,813	642,966
Net loss on disposal of property and equipment	--	14,760
Amortization of intangible assets and goodwill	17,525	15,331
Increase (decrease) in inventory reserve	(85,706)	110,788
Decrease (increase) in other assets	6,503	(10,362)
Unrealized loss on available-for-sale securities	(20,717)	(9,938)
Issuance (cancellation) of common stock warrants	(43,410)	87,816
Changes in operating assets and liabilities		
(Increase) decrease in:		
Accounts receivable, net	(66,464)	14,341
Inventory	80,227	(158,409)
Prepaid expense	(131,150)	(69,097)
Other assets	(8,863)	11,946
Increase (decrease) in:		
Accounts payable	5,128	394,762
Accrued compensation and benefits	9,221	17,814
Deposits	5,120	(4,789)
Total adjustments	446,227	1,057,929
Net cash (used in) provided by operating activities	(553,006)	798,718
Cash Flows from Investing Activities:		
Purchase of investments	(960,386)	(30,861)
Proceeds from sale of investments	1,000,000	--
Purchase of property and equipment	(368,286)	(247,204)
Proceeds from disposal of equipment and furniture	21,684	932
Acquisition of patents and trademarks	(11,651)	(32,452)
Net cash used in investing activities	(318,639)	(309,585)
Cash Flows from Financing Activities:		
Proceeds from exercise of employee stock options	78,730	58,439
Payments on capital lease obligation	(68,388)	(46,788)
Net cash provided by financing activities	10,342	11,651
Net Increase (Decrease) in Cash and Cash Equivalents	(861,303)	500,784
Cash and Cash Equivalents, beginning of period	1,673,639	1,172,855
Cash and Cash Equivalents, end of period	$ 812,336	$1,673,639
Supplemental Disclosure of Cash Flow Information:		
Cash paid during period for:		
Interest	$ 431,357	$ 438,722

</TABLE>

See accompanying notes to consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

BUSINESS - Super Vision International, Inc. (the "Company") is engaged in the design, manufacture and marketing of SIDE-GLOW(R) and END GLOW(R) fiber optic lighting cables, light sources and "point-to-point" fiber optic signs and displays. The Company's products have a wide variety of applications in the signage, swimming pool, architectural, advertising and retail industries.

BASIS OF CONSOLIDATION - The consolidated financial statements include the accounts of Super Vision International, Inc. and its wholly owned subsidiary Oasis Waterfalls, LLC (collectively, the "Company"). All significant inter-company balances and transactions have been eliminated.

ACQUISITION - On October 18, 1999, Super Vision International, Inc. entered into an Asset Purchase Agreement with Oasis Falls International, Inc. and Maas Industries to acquire substantially all of the assets of these businesses in the amount of $132,812, in exchange for 31,250 shares of the Company's Class A Common Stock, par value $.001 per share. The assets acquired included inventory, tooling, machinery and certain intangible assets relating to tooling and intellectual property rights.

The acquisition has been accounted for under the purchase method of accounting with assets acquired recorded at fair market value as of the effective acquisition date, and the operating results of the acquired business included in the Company's consolidated financial statements from that date. The excess of the purchase price over the fair value of the net assets acquired (goodwill) aggregated approximately $26,000, and is being amortized on a straight-line basis over 7 years.

REVENUE RECOGNITION - Generally, the Company recognizes revenue for its products upon delivery to customers, provided no significant obligations remain and collection is probable.

CASH EQUIVALENTS - Temporary cash investments with an original maturity of three months or less are considered to be cash equivalents.

INVESTMENTS - Marketable equity securities and debt securities are classified either as available-for-sale or held to maturity. Available-for-sale securities are carried at fair value, with the unrealized gains and losses, net of tax, reported in a separate component of shareholders' equity. The amortized costs of debt securities in this category are adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization is included in investment income. Realized gains and losses and declines in value judged to be other-than-temporary on available-for-sale securities are included in investment income. The costs of securities sold are based on the specific identification method. Interest and dividends on securities classified as available-for-sales are included in investment income. The Company accounts for investments in debt securities as held-to-maturity and records the investments at amortized cost when the Company has the positive intent and ability to hold those securities to maturity.

At December 31, 2001, investments were comprised of U.S. Corporate Securities and equity securities of approximately $457,000 and $902,000 respectively as compared to $1,008,000 and $391,000, respectively at December 31, 2000. The investment in U.S. Corporate Securities matures in 2003.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

INVESTMENTS - Cont'd

The amortized cost, unrealized losses, and fair values of the Company's available-for-sale securities held at December 31, 2001 are summarized as follows:

	Amortized Costs	Costs	Gross Unrealized Losses	Estimated Fair Value
Available-for-sale securities:				
Fixed Income Funds	$873,037	$875,623	$(30,505)	$842,532
Money Market Funds	59,625	59,625	--	59,625
	$932,662	$935,248	$(30,505)	$902,157
Hold-to-maturity securities:				
Corporate Bonds	$456,897	$458,100	$ (150)	$456,746

The amortized cost, unrealized losses, and fair values of the Company's available-for-sale securities held at December 31, 2000 are summarized as follows:

	Amortized Costs	Costs	Gross Unrealized Losses	Estimated Fair Value
Available-for-sale securities:				
Fixed Income Funds	$ 343,089	$ 343,089	$(9,938)	$ 333,151
Money Market Funds	57,545	57.545		57,545
	$ 400,634	$ 400,634	$(9,938)	$ 390,696
Hold-to-maturity securities:				
Corporate Bonds	$1,007,821	$1,033,200	$(7,620)	$1,000,201

RECENT ACCOUNTING PRONOUNCEMENTS - In July 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 141 "Business Combinations," and SFAS No. 142 "Goodwill and Other Intangible Assets," which change the accounting for business combinations and goodwill. SFAS No. 141 requires that the purchase method of accounting be used for business combinations initiated after June 30, 2001. Use of the pooling-of-interests method will be prohibited. SFAS No. 142 changes the accounting for goodwill from an amortization method to an impairment-only approach. Amortization of goodwill, including goodwill recorded in past business combinations, will therefore cease upon adoption of the Statement, which for the Company will be January 1, 2002. The implementation of these Statements is not expected to have a material impact on the Company's financial position or results of operations.

In June 2001, the FASB issued Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" (FAS 143). FAS 143 changes the measurement of an asset retirement obligation from a cost-accumulation approach to a fair value approach, where the fair value (discounted value) of an asset retirement obligation is recognized as a liability in the period in which it is incurred and accretion expense is recognized using the credit-adjusted risk-free interest rate in effect when the liability was initially recognized. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and subsequently amortized into expense. The pre-FAS 143 prescribed practice of reporting a retirement obligation as a contra-asset will no longer be allowed. SFAS No. 143 becomes effective for fiscal years beginning after June 15, 2002. The implementation of this Statement is not expected to have a material impact on the Company's financial position or results of operations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

RECENT ACCOUNTING PRONOUNCEMENTS - Cont'd

In August 2001, the FASB issued SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets," which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. While SFAS No. 144 supersedes both SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" and APB Opinion No. 30, "Reporting the Results of Operations- -Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," it retains the fundamental provisions of those Statements. SFAS No. 144 becomes effective for fiscal years beginning after December 15, 2001. The implementation of this Statement is not expected to have a material impact on the Company's financial position or results of operations.

SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities" was adopted by the Company in 2001 and its adoption had no effect on the Company's operating results or the financial position.

INVENTORIES - Inventories are stated at the lower of cost (first-in, first-out method), or market. Provision is made for any inventory deemed excessive or obsolete.

PROPERTY AND EQUIPMENT - Property and equipment are stated at cost. Depreciation is computed by the straight-line method and is charged to operations over the estimated useful lives of the assets. The estimated useful lives of the property and equipment range from 3 to 20 years. Property held under capital lease is amortized over the life of the lease. Related amortization expense is included with depreciation in the accompanying consolidated statements of operations and accumulated depreciation in the accompanying consolidated balance sheets. Maintenance and repairs are charged to expense as incurred. The carrying amount and accumulated depreciation of assets sold or retired are removed from the accounts in the year of disposal and any resulting gain or loss is included in results of operations.

INTANGIBLE ASSETS AND GOODWILL - Intangible assets, which are recorded at cost, consist of patents and trademarks which are owned by the Company and are being amortized over their contractual lives using the straight-line method. Goodwill represents the excess cost of the acquired business over the fair value of net assets acquired and is being amortized on a straight line basis over 7 years. At each balance sheet date, management assesses whether there has been any permanent impairment in the value of intangibles. The factors considered by management include trends and prospects as well as the effects of obsolescence, demand, competition and other economic factors. No impairment losses have been recognized in any of the periods presented.

LONG-LIVED ASSETS - The Company periodically evaluates the recoverability of its long-lived assets based on expected undiscounted cash flows and will recognize impairment of the carrying value of long-lived assets, if any is indicated, based on the fair value of such assets.

DEPOSITS - Payments received by the Company for services to be provided in the following year are deferred and recognized as revenue in the period the services are provided.

RESEARCH AND DEVELOPMENT - Research and development costs to develop new products are charged to expense as incurred.

ADVERTISING - Advertising costs, included in selling, general and administrative expenses, are expensed when the advertising first takes place. The Company promotes its product lines primarily through print media, such media including trade publications, trade shows and promotional brochures. Advertising expenses were approximately $364,461 and $206,400 for the years ended December 31, 2001 and 2000, respectively.

INCOME TAXES - Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes resulting from temporary differences. Such temporary differences result from differences in the carrying value of assets and liabilities for tax and financial reporting purposes. The deferred tax assets and liabilities represent the future tax consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

USE OF ESTIMATES - The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

EARNINGS PER SHARE - Basic loss per share is computed by dividing net loss available to common stockholders by the weighted average common shares outstanding for the period. Diluted loss per share is computed giving effect to all potentially dilutive common shares. Potentially dilutive common shares may consist of incremental shares issuable upon the exercise of stock options, adjusted for the assumed repurchase of the Company's common stock, at the average market price, from the exercise proceeds and also may include incremental shares issuable in connection with convertible securities. In periods in which a net loss has been incurred, all potentially dillutive common shares are considered antidilutive and thus are excluded from the calculation. The Class A and Class B warrants, employee stock options, certain warrants issued to Hayward (see Notes 6 and 7) are not included in the computation of loss per share for 2001 and 2000 because the related shares are contingently issuable or to do so would have been anti-dilutive.At December 31, 2001 and 2000, the Company had 38,000 and 69,097 potentially dilutive common shares, respectively.

STOCK-BASED COMPENSATION - The Company follows Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and related interpretations in accounting for its stock-based compensation plans rather than the alternative fair value accounting provided under SFAS No. 123 "Accounting for Stock-Based Compensation."

COMPREHENSIVE INCOME - Pursuant to SFAS No. 130, "Reporting Comprehensive Income," the Company is required to report comprehensive income and its components in its financial statements, which includes unrealized gains and losses on available for sale securities.

BUSINESS SEGMENTS - Pursuant to SFAS No. 131, "Disclosure About Segments of a Business Enterprise and Related Information," the Company is required to report segment information. As the Company only operates in principally one business segment, no additional reporting is required.

2. INVENTORIES:

Inventories consist of the following:

	December 31, 2001	December 31, 2000
Raw materials	$1,775,229	$1,759,504
Work in process	18,418	12,461
Finished goods	839,754	941,663
	2,633,401	2,713,628
Less: Reserve for inventories	(325,768)	(411,474)
Net inventories	$2,307,633	$2,302,154

3. CAPITAL LEASE OBLIGATION:

The Company leases its operating facility from a corporation owned by the Company's chief executive officer. The lease has a fifteen-year term extending through June 15, 2012. Assets recorded under capital lease and included in property and equipment are as follows:

	December 31, 2001	December 31, 2000
Office/Warehouse building	$3,081,000	$3,081,000
Less accumulated amortization	(924,300)	(718,900)
	$2,156,700	$2,362,100

At December 31, 2001, future minimum lease payments for the capital lease are as follows: Year ending December 31:

2002	$ 610,596
2003	628,404
2004	641,127
2005	659,821
2006	673,176
2007 and thereafter	3,932,454
Minimum lease payments	7,145,578
Less amount representing interest and executory costs	(4,085,022)
Present value of net minimum lease payments under capital lease	$ 3,060,556

Deposits paid under this lease agreement totaled $58,167 at December 31, 2001 and 2000. The Company's lease payments, including interest and executory costs were $598,481 and $581,520 in 2001 and 2000, respectively.

4. FINANCIAL INSTRUMENTS AND CREDIT RISKS:

The Company's financial instruments that are exposed to concentrations of credit risk consist of cash, cash equivalents and investments. The Company places its cash, cash equivalents and investments with high credit quality institutions. At times such investments may be in excess of the FDIC insurance limit. The Company also places its cash, cash equivalents and investments in money market funds, and debt securities with a major brokerage firm. These funds are uninsured. The total amount invested in money market funds at December 31, 2001 and 2000 was $736,501 and $1,035,817 respectively. The carrying values of cash equivalents, accounts receivable and accounts payable approximate fair value due to their short-term nature.

The Company purchases fiber optic strands from a single Japanese supplier. While the Company believes alternative sources for fiber optic strands are available to enable it to produce endpoint signs and displays, the SIDE-GLOW(R) and END GLOW(R) cables require fiber optic material of a higher quality than the Company believe is generally available elsewhere. Accordingly, the loss of this supplier or delays in obtaining shipments could have a material adverse effect on the Company's operations until such time as an alternative supplier could be found.

5. INCOME TAXES:

As of December 31, 2001, the Company had approximately $2,614,000 in net operating loss carryforwards for federal and state income tax purposes, which expire between 2010 and 2021.

Components of deferred tax assets (liabilities) are as follows:

	December 31, 2001	December 31, 2000

Accounts receivable	$ 60,967	$ 55,201
Inventories	174,688	208,015
Accrued expenses	18,004	52,194
Depreciation	12,532	(58,439)
Stock warrants	71,579	71,579
Other	9,635	10,344
Tax credits	11,157	11,157
Net operating loss carry forwards	983,627	625,250
	1,342,189	975,301
Valuation allowance	(1,342,189)	(975,301)
	$ --	$ --

In accordance with SFAS No. 109, "Accounting for Income Taxes", valuation allowances are provided against deferred tax assets if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company has evaluated the realizability of the deferred tax assets on its balance sheet and has established a valuation allowance in the amount of $1,342,189 at December 31, 2001.

The following is a reconciliation of tax computed at the statutory federal rate to the income tax expense in the statements of operations for the years ended December 31, 2001 and 2000:

<TABLE>
<CAPTION>

	2001		2000	
	Amount	%	Amount	%
<S>	<C>	<C>	<C>	<C>
Tax benefit computed at statutory federal rate	$(339,739)	(34.00)	$(88,131)	(34.00)
State tax benefit	(37,025)	(3.71)	(8,432)	(3.25)
Change in valuation allowance	366,888	36.72	88,000	33.95
Non-deductible expenses	9,876	0.99	9,694	3.74
Other, net	--	--	(1,131)	(.44)
Income tax expense	$ --	--	$ --	--

</TABLE>

6. CAPITAL STOCK:

<u>CLASS A COMMON STOCK</u> - At December 31, 2001 the Company has reserved Class A Common Stock for issuance in relation to the following:

Employee Stock Options	363,355
Shares Subject to Warrants	438,875
Conversion of Class B Common Stock	483,264

<u>CLASS B COMMON STOCK</u> - Each share of Class B Common Stock is entitled to five votes on all matters on which stockholders may vote, including the election of directors. Shares of Class B Common Stock are automatically convertible into an equivalent number of shares of Class A Common Stock upon the sale or transfer of such shares.

<u>STOCK WARRANTS</u> - The Company has 438,875 vested warrants outstanding in connection with the transactions described below.

The Company has granted a 10-year warrant for 289,187 shares of Class A Common Stock at an exercise price of $7.00 per share to the Kingstone Family Limited Partnership II ("KFLP II"), of which Chairman and Chief Executive Officer of the Company, Brett Kingstone, controls and is the general partner. The warrant was granted on March 31, 1997, and expires March 31, 2007. KFLP II has granted an option to purchase up to 28,918 shares of the Class A Common Stock underlying the warrant upon the warrant's full or partial exercise to Cooper Lighting, Inc. ("Cooper"). KFLP II has also granted an option to purchase up to 28,918 shares of the

Class A Common Stock underlying the warrant upon the warrant's full or partial exercise to Hayward Industries, Inc. ("Hayward").

CAPITAL STOCK TRANSACTIONS - On November 23, 1998, the Company entered into a Stock Purchase Agreement with Cooper Lighting, Inc. ("Cooper"), a subsidiary of Cooper Industries, Inc. (a New York Stock Exchange Company trading under the symbol "CBE") pursuant to which the Company sold to Cooper 250,369 shares of its Class A Common Stock, for a purchase price of $2,000,000. The Company incurred issuance costs associated with this transaction of $4,377 in 1999. In addition, the Company entered into a Distributorship Agreement (the "Distributorship Agreement") with Cooper and Cooper Industries (Canada), Inc. ("Cooper Canada"), another subsidiary of Cooper Industries, Inc., pursuant to which Cooper and Cooper Canada were collectively granted the exclusive distribution rights in the United States and Canada to the Company's fiber optic products in the commercial, residential, industrial, institutional and public transportation markets, including, but not limited to, any and all lighting applications in or related to architectural lighting, accent lighting, down lighting, display cases, landscaping, confinement, explosion-proof, clean rooms, traffic signals, signage, outdoor area and emergency/exit lighting. In consideration for these rights, Cooper and Cooper Canada have collectively agreed, in accordance with the terms of the Distributorship Agreement, to purchase up to $47,075,000 of the Company's products over a five year period, renewable after such period. Cooper was also granted a ten-year warrant to purchase an additional 250,369 shares of Class A Common Stock of the Company at $8.02 per share. The warrant expires November 23, 2008. Vesting of these warrants is tied to achievement of annual minimum purchase commitments as defined in the Distributorship Agreement.

Effective July 10, 2000, Cooper notified the Company that Cooper did not meet its minimum purchase commitment for the year ended December 31, 1999 and would not meet its purchase commitment for the year ending December 31, 2000, and further advised the Company that Cooper will not make up the deficiencies pursuant to its option in the Distributorship Agreement to maintain its exclusive sales rights in the Territory's Exclusive Market for the Company's products. Upon this notification, the Company exercised its option to not excuse the deficiency and terminate Cooper's exclusive rights to distribute, market and sell the Company's products within the Territory's' Exclusive Market. Effective midnight on October 31, 2000, Cooper's exclusive rights for sale of the Company's products in the Territory's Exclusive Market terminated. As of December 31, 2000, Cooper did not have any vested warrants in relation to achievement of annual minimum purchase commitments.

Additionally, the Company issued 517,950 warrants to Cooper to purchase shares of Class A Common Stock at fair market value if the number of outstanding shares of Class A Common Stock of the Company is increased as a result of the exercise of the Company's currently outstanding warrants (the "Warrants"). The warrant for 517,950 shares expired on March 29, 1999. Cooper also has the right to designate one director to the Company's Board of Directors.

6. CAPITAL STOCK (continued):

CAPITAL STOCK TRANSACTIONS - (continued)

The Company did not have any sales to Cooper and Cooper Canada during 2001, as compared to $1,372,493 and $106,458 respectively in 2000. There were no trade accounts receivable from Cooper and Cooper Canada as of December 31, 2001, as compared to $29,920 and $73,506 respectively as of December 31, 2000.

On September 25, 1996, the Company entered into a Stock Purchase Agreement and Distributorship Agreement with Hayward. Under the terms of the Stock Purchase Agreement, Hayward purchased 249,480 shares of the Company's Class A Common Stock from the Company, at a price of $8.02 per share, the approximate market value of the Class A Common Stock at the time. In addition, the Company granted 249,480 matching warrants for the purchase of additional shares, at an exercise price of $8.02 per share. Vesting of the warrants was tied to achievement of annual minimum purchase commitments contained in the Distributorship Agreement, pursuant to which Hayward acquired the worldwide rights to market and sell the Company's fiber optic lighting products in the swimming pool and spa market. The warrants had a 10-year life and would expire September 25, 2006.

On August 15, 2001, the Company reached an agreement with Hayward terminating Hayward's exclusive distribution rights as of September 30, 2001. The agreement with Hayward allowed the Company to commence direct selling of its fiber optic lighting products in the swimming pool and spa market worldwide, except in the United States and Canada, as of August 15, 2001, and within the United States and Canada as of October 1, 2001. The Company has agreed to pay Hayward royalties on gross sales of fiber optic pool lighting products sold in the U.S. and Canada over a term of five years at the rate of 5% of gross sales in the first year, 3% in the second and third years and 2% in the fourth and fifth years with a $100,000 minimum payment due during each of the Company's fiscal years ending December 31, 2002 and 2003. Pursuant to the agreement, Hayward also agreed to return certain fiber optic lighting products previously sold by the Company to Hayward and to return vested warrants covering 49,896 shares of the Company's Class A common stock previously issued to Hayward all in exchange for $300,000 paid by the Company to Hayward in December 2001. The settlement payment of $300,000 was allocated to the returned inventory at its fair market value of approximately $155,000, to the returned vested warrants at their fair market value on August 15, 2001, the measurement date, of approximately $43,000 and the balance of settlement payment of approximately $102,000 was recorded as a one-time charge to operations (included in selling, general and administrative expense) in December 2001. The inventory repurchased from Hayward represents the Company's manufactured fiber optic lighting products, which had been directly purchased by Hayward from the Company from January 1, 2000 through September 30, 2001. The shares underlying Hayward's remaining warrants and other shares of the Company's stock owned by Hayward are subject to certain registration rights. The termination of Hayward's exclusive distribution rights also released Hayward from any annual minimum inventory purchase commitments for 2001 and beyond.

As of December 31, 2001, total vested warrants in relation to Hayward's achievement of annual minimum purchase commitments under the original Distributorship Agreement was 149,688.

The Company had sales of $1,844,953 and $3,290,337 to Hayward during 2001 and 2000, respectively. Trade accounts receivable includes $251,751 and $458,919 due from Hayward at December 31, 2001 and 2000, respectively. The Company derived approximately 16% of its total revenues from Hayward in 2001 compared to approximately 28% in 2000.

7. STOCK OPTION PLAN:

The Company adopted a stock option plan that provides for the grant of incentive stock options and nonqualified stock options, and reserved 450,000 shares of the Company's Class A Common Stock for future issuance under the plan. The option price must be at least 100% of market value at the date of the grant and the options have a maximum term of 10 years.

The following table summarizes activity of the stock option plan for the years ended December 31, 2001 and 2000:

	Options Available for Future Grant	Number of Shares Under Option	Weighted Average Option Price
Balance, January 1, 2000	103,984	288,379	
Options granted	(86,650)	86,650	$7.23
Options exercised	--	(11,441)	$5.12
Options cancelled	36,587	(36,587)	$5.86
Balance, December 31, 2000	53,921	327,001	
Options granted	(42,400)	42,400	$6.29
Options exercised	--	(17,567)	$4.48
Options cancelled	27,849	(27,849)	$7.66
Balance, December 31, 2001	39,370	323,985	

The weighted average fair value of options granted during 2001 and 2000 was $3.07 and $3.25 per option, respectively. At December 31, 2001, the 323,985 options outstanding under the plan are summarized in the following table:

Option Shares	Range of Exercise Prices	Weighted Average Exercise Price	Weighted Average Remaining Life
112,967	$3.69 - $5.47	$4.50	6.12 years
105,318	$5.55 - $7.38	$6.38	6.92
105,700	$7.44 - $9.25	$8.30	6.67

Options granted vest ratably over a three-year period or vest based on achievement of performance criteria. As of December 31, 2001, 254,856 options were vested and exercisable. These options are summarized below:

Option Shares	Range of Exercise Prices	Weighted Average Exercise Price	Weighted Average Remaining Life
96,301	$3.69 - $5.47	$4.55	6.73 years
63,521	$5.55 - $7.38	$6.56	7.21
95,034	$7.44 - $9.25	$8.32	5.88

7. STOCK OPTION PLAN (continued):

The Company applies the disclosure-only provisions of SFAS No. 123, but applies Accounting Principles Board Opinion No. 25 and related interpretations in accounting for its plan. Accordingly, no compensation expense has been recognized for stock options granted under the plan. If the Company had elected to recognize compensation expense for stock options based on the fair value at grant date, consistent with the method prescribed by SFAS No. 123, net loss and loss per share would have been increased to the proforma amounts shown below:

	2001	2000
Net loss:		
As reported	$ (999,233)	$(259,211)
Proforma loss	$(1,141,246)	$(408,929)
Basic EPS:		
As reported	$ (0.39)	$ (0.10)
Proforma loss	$ (0.45)	$ (0.16)
Diluted EPS:		
As reported	$ (0.39)	$ (0.10)
Proforma loss	$ (0.45)	$ (0.16)

These proforma amounts were determined using the Black-Scholes Valuation model with the following key assumptions: (a) an average discount rate of 6.17%; (b) a volatility factor of 35% based upon volatility of a comparable group of companies; and (c) an average expected option life of 7 years during 2001 and 2000.

8. SIGNIFICANT CUSTOMERS/EXPORT SALES:

Sales to foreign markets and significant customers as a percentage of the Company's total revenues were as follows:

<TABLE>
<CAPTION>

<S>	2001 <C>	% of Sales <C>	2000 <C>	% of Sales <C>
Foreign markets:				
Americas (excluding USA)	$1,158,294	10%	$1,140,433	10%
Europe, the Middle East and Africa	1,122,694	9%	1,295,116	11%
Asia Pacific	694,627	6%	311,178	3%
Japan	96,551	1%	89,120	1%
	$3,072,166	26%	$2,835,847	25%
Significant customers:				
Hayward Pool Products	$1,844,953	16%	$3,290,337	28%
Regent Lighting Corporation	838,891	7%	$1,478,951	13%

</TABLE>

December 31, 2001

9. BENEFIT PLANS:

The Company has established a profit sharing plan that permits participants to make contributions by salary reduction pursuant to Section 401(k) of the Internal Revenue Code of 1986, as amended. The Company made matching contributions equal to 50%, of the participants' contributions, to a maximum of 3% of the participants' salary, totaling $29,662 and $37,463 for 2001 and 2000, respectively. Effective October 1, 2001, the Company discontinued the company match portion of the plan.

The Company has established a bonus plan, based on targeted sales levels, which provides incentive compensation for sales employees. Amounts charged to expense for bonuses to these employees were $73,682 and $65,029 for 2001 and 2000, respectively.

10. CONTINGENCIES

On March 4, 2002, the Company filed a lawsuit (case number 6:02-CV-270-ORL-19JGG) in the United States District Court for the Middle District of Florida against Color Kinetics Incorporated ("Color Kinetics"). This is an action for declaratory judgment that certain patents of Color Kinetics are invalid, that the Company's products do not infringe any of such patents, and that such patents are unenforceable. Color Kinetics has notified the Company that it believes that certain Company products may infringe certain of Color Kinetics' patents for LED lighting systems. The Company intends to vigorously defend itself against this allegation.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SUPER VISION INTERNATIONAL, INC.

Date: March 25, 2002

By: /s/ Brett M. Kingstone

Brett M. Kingstone - Chairman,
Chief Executive Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Brett M. Kingstone Brett M. Kingstone - Chairman of the Board of Directors, Chief Executive Officer (Principal Executive Officer)	March 25, 2002--
/s/ Larry J. Calise Larry J. Calise - Chief Financial Officer (Principal Financial and Accounting Officer)	March 25, 2002--
/s/ Anthony Castor Anthony Castor - Director	March 25, 2002--
/s/ Brian McCann Brian McCann - Director	March 25, 2002--
/s/ Edgar Protiva Edgar Protiva - Director	March 25, 2002--

/s/ Robert Wexler   March 25, 2002--
- --
Robert Wexler - Director

/s/ Fritz Zeck   March 25, 2002--
- --
Fritz Zeck - Director

EXHIBIT INDEX

10.10 Warrant Certificate registered in the name of Hayward Industries, Inc.

23.1 Consent of Ernst & Young LLP

23.2 Consent of Gallogly, Fernandez & Riley LLP

EXHIBIT 10.10

THE WARRANTS EVIDENCED HEREBY, AND THE SHARES
OF CLASS A COMMON STOCK ISSUABLE UPON EXERCISE OF
SUCH WARRANTS, HAVE NOT BEEN REGISTERED UNDER
THE SECURITIES ACT OF 1933, AS AMENDED, AND MAY NOT BE
TRANSFERRED IN VIOLATION OF SUCH ACT.

WARRANT CERTIFICATE

149,688 Warrants

To Subscribe for and Purchase Class A Common Stock,
$.001 Par Value, of

SUPER VISION INTERNATIONAL, INC.

THIS CERTIFIES that, for value received, HAYWARD INDUSTRIES, INC., or its registered successors or assigns, is the owner of 149,688 Warrants, each of which entitles the owner thereof to purchase, from SUPER VISION INTERNATIONAL, INC., a Delaware corporation (hereinafter referred to as the "Corporation"), from time to time during the period from February 13, 2002 hereinafter referred to as the "Issuance Date") through 5:00 P.M., New York time, on September 25, 2006, one fully paid and nonassessable share of Class A Common Stock (as hereinafter defined), as such stock is constituted on the Issuance Date, subject to adjustment from time to time pursuant to the provisions hereinafter set forth, at the initial price of $8.02 (hereinafter referred to as the "Exercise Price"), subject further to the conditions hereinafter set forth.

This Warrant Certificate is subject to the following provisions, terms and conditions:

1. The Warrants evidenced hereby may be exercised by the registered holder hereof, in whole or in part, by the surrender of this Warrant Certificate, duly endorsed (unless endorsement is waived by the Corporation), at the principal executive office of the Corporation, 8210 Presidents Drive, Orlando, Florida 32809 and upon payment to it by certified or official bank check or checks of the purchase price of the shares of Class A Common Stock purchased. The Corporation agrees that the shares of Class A Common Stock so purchased shall be deemed to be issued to the registered holder hereof on the date on which this Warrant Certificate shall have been surrendered and payment made for such shares as aforesaid. The certificates for such shares shall be delivered to the registered holder hereof within a reasonable time, not exceeding ten business days, after Warrants evidenced hereby shall have been exercised, and a new Warrant Certificate evidencing the number of the Warrants, if any, remaining unexercised shall also be issued to the registered holder within

such time unless such Warrants have expired. No fractional shares of capital stock of the Corporation, or scrip for any such fractional shares, shall be issued upon the exercise of any Warrants.

2. The number and kind of shares of Class A Common Stock of the Corporation subject to each Warrant evidenced hereby, and the Exercise Price, shall be subject to adjustment as follows:

(a) Upon each adjustment of the Exercise Price as provided herein, the holder of the Warrants evidenced hereby shall thereafter be entitled to purchase, at the Exercise Price resulting from such adjustment, the number of shares of Class A Common Stock (calculated to the nearest tenth of a share) obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of shares purchasable pursuant hereto immediately prior to such adjustment and dividing the product thereof by the Exercise Price resulting from such adjustment.

(b) No fractional shares of Class A Common Stock or scrip shall be issued upon exercise of the Warrants evidenced hereby. Instead of any fractional shares of Class A Common Stock which would otherwise be issuable upon exercise of the Warrants evidenced hereby (or portion hereof), the Corporation shall pay a cash adjustment in respect of such fractional share of Class A Common Stock in an amount equal to the same fraction of the then current fair value of a share of Class A Common Stock, as determined in good faith by the Board of Directors of the Corporation.

(c) In case the Corporation shall at any time subdivide its outstanding shares of Class A Common Stock into a greater number of shares of Class A Common Stock, the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced, and conversely, in case the outstanding shares of Class A Common Stock of the Corporation shall be combined into a smaller number of shares of Class A Common Stock, the Exercise Price in effect immediately prior to such combination shall be proportionately increased.

(d) If and whenever after the Issuance Date the Corporation shall issue or sell any shares of its Class A Common Stock for a consideration per share less than the Market Price (as hereinafter defined) in effect immediately prior to the time of such issue or sale, or without consideration, then, forthwith upon each such issue or sale, the Exercise Price shall be reduced (but not increased) to the price (calculated to the nearest cent) equal to the quotient obtained by dividing (i) the amount equal to the sum of (a) the number of shares of Class A Common Stock outstanding immediately prior to such issue or sale multiplied by the then existing Exercise Price, and (b) the consideration, if any, received by the Corporation upon such issue or sale by (ii)

the total number of shares of Class A Common Stock outstanding immediately after such issue or sale. "Market Price" for purposes hereof shall mean (i) the average closing sale price for 30 consecutive business days (or such other period as the holder hereof may consent to), ending within 15 days of the date of the subject event, of the Class A Common Stock as reported by the Nasdaq National Market System, if the Class A Common Stock is so reported, or (ii) if not so reported, the average last reported sale price for 30 consecutive business days (or such other period as the holder hereof may consent to), ending within 15 days of the date of the subject event, of the Class A Common Stock on the primary exchange on which the Class A Common Stock is traded, if the Class A Common Stock is traded on a national securities exchange, or (iii) if not so reported or traded, the average of the last reported bid and asked prices of the Class A Common Stock for 30 consecutive business days (or such other period as the holder hereof may consent to), ending within 15 days of the date of the subject event, of the Class A Common Stock, as reported by the Nasdaq SmallCap Market or other automated quotation system of a registered national securities association, or (iv) if not so reported or traded, as determined by the Board of Directors of the Corporation in its reasonable discretion. Any average calculated as aforesaid shall be proportionately adjusted for any stock split, stock dividend, combination or reclassification that took effect during the relevant period. No adjustment of the Exercise Price, however, shall be made in an amount less than $.001 per share, but any such lesser adjustment shall be carried forward and shall be made at the time and together with the next subsequent adjustment which together with any adjustments so carried forward shall amount to $.001 per share or more. In addition, the provisions of this Paragraph (d) shall not apply upon: (w) issuance by the Corporation of shares of Class A Common Stock upon the exercise of the Warrants issued to Hayward Industries, Inc., (x) issuance by the Corporation of Class A Common Stock upon the exercise of Eligible Warrants (as hereinafter defined), (y) issuance by the Corporation of stock options, or the issuance by the Corporation of shares upon the exercise of such stock options, under any employee stock option plan approved by the stockholders of the Corporation now or hereafter in effect, as any such plan may be amended from time to time, or (z) issuance by the Corporation of shares for cash pursuant to an underwritten public offering registered under the Act (as hereinafter defined). "Eligible Warrants" for purposes hereof shall mean any and all warrants, options or other rights to acquire shares of Class A Common Stock from the Corporation, or any securities convertible into or exchangeable for Class A Common Stock, in each case outstanding as of September 25, 1996 (the "Original Issuance Date") or issuable directly or indirectly pursuant to warrants, options or other rights outstanding as of the Original Issuance Date. For purposes of this Paragraph (d) the following additional sub-paragraphs shall apply:

(i) Issuance of Rights or Options. In case at any time the

Corporation shall in any manner grant (whether directly or by assumption in a merger or otherwise) any rights to subscribe for or to purchase, or any options for the purchase of, Class A Common Stock or any stock or securities convertible into or exchangeable for Class A Common Stock (such rights or options being herein called "Options" and such convertible or exchangeable stock or securities being herein called "Convertible Securities") whether or not such Options or the right to convert or exchange any such Convertible Securities are immediately exercisable, and the price per share for which Class A Common Stock is issuable upon the exercise of such Options or upon the conversion or exchange of such Convertible Securities (determined by dividing (i) the total amount, if any, received or receivable by the Corporation as consideration for the granting of such Options, plus the aggregate amount of additional consideration payable to the Corporation upon the exercise of all such Options, plus, in the case of such Options which relate to Convertible Securities, the aggregate amount of additional consideration, if any, payable upon the issue or sale of such Convertible Securities and upon the conversion or exchange thereof, by (ii) the total maximum number of shares of Class A Common Stock issuable upon the exercise of such options or upon the conversion or exchange of all such Convertible Securities issuable upon the exercise of such Options) shall be less than the Market Price in effect immediately prior to the time of the granting of such Options, then the total maximum number of shares of Class A Common Stock issuable upon the exercise of such Options or upon conversion or exchange of the total maximum amount of such Convertible Securities issuable upon the exercise of such Options shall be deemed to have been issued for such price per share as of the date of granting of such Options and thereafter shall be deemed to be outstanding. Except as otherwise provided in Sub-Paragraph (iii) of this Paragraph (d), no adjustment of the Exercise Price shall be made upon the actual issue of such Class A Common Stock or of such Convertible Securities upon exercise of such Options or upon the actual issue of such Class A Common Stock upon conversion or exchange of such Convertible Securities.

(ii) <u>Issuance of Convertible Securities.</u> In case the Corporation shall in any manner issue (whether directly or by assumption in a merger or otherwise) or sell any Convertible Securities, whether or not the rights to exchange or convert any such Convertible Securities are immediately exercisable, and the price per share for which Class A Common Stock is issuable upon such conversion or exchange (determined by dividing (i) the total amount received or receivable by the Corporation as consideration for the issue or sale of such Convertible Securities, plus the aggregate amount of additional consideration, if any, payable to the Corporation

upon the conversion or exchange thereof, by (ii) the total maximum number of shares of Class A Common Stock issuable upon the conversion or exchange of all such Convertible Securities) shall be less than the Market Price in effect immediately prior to the time of such issue or sale, then the total maximum number of shares of Class A Common Stock issuable upon conversion or exchange of all such Convertible Securities shall be deemed to have been issued for such price per shares of the date of the issue or sale of such Convertible Securities and thereafter shall be deemed to be outstanding, provided that (x) except as otherwise provided in Sub-Paragraph (iii) of this Paragraph (d), no adjustment of the Exercise Price shall be made upon the actual issue of such Class A Common Stock upon conversion or exchange of such Convertible Securities, and (y) if any such issue or sale of such Convertible Securities is made upon exercises of any Options to purchase any such Convertible Securities for which adjustments of the Exercise Price have been or are to be made pursuant to other provisions of this Sub-Paragraph (ii), no further adjustment of the Exercise Price shall be made by reason of such issue or sale.

(iii) <u>Change in Option Price or Exercise Rate.</u> Upon the happening of any of the following events, namely, if the purchase price provided for in any Option referred to in Sub-Paragraph (i) of this Paragraph (d), the additional consideration, if any, payable upon the conversion or exchange of any Convertible Securities referred to in Sub-Paragraphs (i) or (ii) of this Paragraph (d), or the rate at which any Convertible Securities referred to in Sub-Paragraphs (i) or (ii) of this Paragraph (d) are convertible into or exchangeable for Class A Common Stock shall change at any time (other than under or by reason of provisions designed to protect against dilution), the Exercise Price in effect at the time of such event shall forthwith be readjusted to the Exercise Price which would have been in effect at such time had such Options or Convertible Securities still outstanding provided for such changed purchase price, additional consideration or conversion rate, as the case may be, at the time initially granted, issued or sold; and on the expiration of any such Option or the termination of any such right to convert or exchange such Convertible Securities, the Exercise Price then in effect hereunder shall forthwith be increased to the Exercise Price which would have been in effect at the time of such expiration or termination had such Option or Convertible Securities, to the extent outstanding immediately prior to such expiration or termination, never been issued, and the Class A Common Stock issuable thereunder shall no longer be deemed to be outstanding. If the purchase price provided for in any such Option referred to in Sub-Paragraph (i) of this Paragraph (d) or the rate at which any Convertible Securities referred to in Sub-Paragraphs (i) or (ii) of this Paragraph

(d) are convertible into or exchangeable for Class A Common Stock shall be reduced at any time under or by reason of provisions with respect thereto designed to protect against dilution, then, in case of the delivery of Class A Common Stock upon the exercise of any such Option or upon conversion or exchange of any such Convertible Securities, the Exercise Price then in effect hereunder shall forthwith be adjusted to such respective amount as would have been obtained had such Option or Convertible Securities never been issued as to such Class A Common Stock and had adjustments been made upon the issuance of the shares of Class A Common Stock delivered as aforesaid, but only if as a result of such adjustment the Exercise Price then in effect hereunder is thereby reduced.

(iv) Stock Dividends. In case the Corporation shall declare a dividend or make any other distribution upon any stock of the Corporation payable in Class A Common Stock, Options or Convertible Securities, any Class A Common Stock, Options or Convertible Securities, as the case may be, issuable in payment of such dividend or distribution shall be deemed to have been issued in a subdivision of outstanding shares as provided in Paragraph (c) immediately preceding.

(v) Consideration for Stock. In case any shares of Class A Common Stock, Options or Convertible Securities shall be issued or sold for cash, the consideration received therefor shall be deemed to be the amount received by the Corporation therefor, without deduction therefrom of any expenses incurred or any underwriting commissions or concessions paid or allowed by the Corporation in connection therewith. In case any shares of Class A Common Stock, Options or Convertible Securities shall be issued or sold for a consideration other than cash, the amount of the consideration other than cash received by the Corporation shall be deemed to be the fair value of such consideration as determined in good faith by the Board of Directors of the Corporation, without deduction of any expenses incurred or any underwriting commissions or concessions paid or allowed by the Corporation in connection therewith. In case any Options shall be issued in connection with the issue and sale of other securities of the Corporation, together comprising one integral transaction in which no specific consideration is allocated to such Options by the parties thereto, such Options shall be deemed to have been issued without consideration.

(vi) Record Date. In case the Corporation shall take a record of the holders of its Class A Common Stock for the purpose of entitling them (i) to receive a dividend or other distribution payable in Class A Common Stock, Options or Convertible Securities, or (ii) to subscribe for or purchase Class A Common Stock, Options or Convertible Securities, then such record date shall be deemed to be the date of the issue

or sale of the shares of Class A Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(vii) Treasury Shares. The number of shares of Class A Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Corporation, and the disposition of any such shares shall be considered an issue or sale of Class A Common Stock for the purposes of this Paragraph (d).

(e) No adjustment in the number of shares of Class A Common Stock issuable upon exercise of the Warrants evidenced hereby shall be required unless such adjustment would require an increase or decrease of at least two percent in the number of shares of Class A Common Stock at the time issuable upon exercise of the Warrants evidenced hereby; provided, however, that any adjustments which by reason of this clause (e) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. Except as otherwise set forth herein, all computations made pursuant to the provisions of this paragraph 2 shall be made to the nearest cent or to the nearest one hundredth of a share, as the case may be.

(f) For purposes of this Warrant Certificate, the term "Class A Common Stock" shall mean shares of the class A common stock, $.001 par value, of the Corporation, and shall also include any shares of capital stock of any class of the Corporation hereinafter authorized which shall not be limited to a fixed sum or percentage in respect of the rights of the holders thereof to participate in dividends and in the distribution of assets upon the voluntary liquidation, dissolution or winding-up of the Corporation; provided, however, that the shares of Class A Common Stock receivable upon exercise of the Warrants evidenced hereby shall include only shares of Class A Common Stock as constituted on the Issuance Date including any stock into which it may be changed, reclassified or converted.

3. If any consolidation or merger of the Corporation with another corporation after the Issuance Date, or the sale of all or substantially all of its assets to another corporation shall be effected after the Issuance Date or in case of any capital reorganization or reclassification of the capital stock of the Corporation, then, as a condition of such consolidation, merger or sale, reorganization or reclassification, lawful and adequate provision shall be made whereby the holder of this Warrant Certificate shall thereafter have the right to purchase and receive upon the basis and upon the terms and conditions specified herein and in lieu of the shares of Class A Common Stock immediately theretofore purchasable and receivable upon the exercise of each Warrant evidenced hereby, such shares of stock,

securities or assets as may be issuable or payable with respect to or in exchange for a number of outstanding shares of Class A Common Stock of the Corporation equal to the number of shares of Class A Common Stock immediately theretofore purchasable and receivable upon the exercise of one Warrant evidenced hereby had such consolidation, merger, sale, reorganization, or reclassification not taken place, and in any such case appropriate provision shall be made with respect to the rights and interest of the registered holder of this Warrant Certificate to the end that the provisions hereof (including without limitation provisions for adjustment of the Exercise Price) shall thereafter be applicable, as nearly as may be, in relation of any shares of stock, securities or assets thereafter deliverable upon the exercise of the Warrants evidenced hereby.

4. Upon any adjustment of the Exercise Price or the number of shares of Class A Common Stock subject to the Warrants evidenced hereby, then and in each such case the Corporation shall give written notice thereof, by first class mail, postage prepaid, to the holder hereof, which notice shall state the Exercise Price and/or the number of shares of Class A Common Stock subject to the Warrants evidenced hereby resulting from such adjustment, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

5. In case at any time:

(a) the Corporation shall declare any dividend upon its shares of

Class A Common Stock payable in stock or make any special dividend or other distribution (other than a cash dividend to the holders of its shares of Class A Common Stock);

(b) the Corporation shall offer for subscription pro rata to the holders of its shares of Class A Common Stock any additional shares of stock of any class or other rights;

(c) there shall be any capital reorganization or reclassification of the capital stock of the Corporation, or consolidation or merger of the Corporation with, or sale of all or substantially all its assets to, another corporation; or

(d) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of the Corporation;

then, in any one or more of said cases, the Corporation shall give written notice, by first class mail, postage prepaid, to the holder hereof, of the date on which (i) the books of the Corporation shall close or a record shall be taken for such dividend, distribution or subscription rights, or (ii) such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up shall take place, as the

case may be. Such notice shall also specify the date as of which the holders of shares of Class A Common Stock of record shall participate in such dividend, distribution or subscription rights or shall be entitled to exchange their shares of Class A Common Stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, or winding-up, as the case may be. Such written notice shall be given at least 30 days prior to the action in question and not less than 30 days prior to the record date or the date on which the Corporation's transfer books are closed in respect thereto.

6. The Corporation shall at all times reserve and keep available out of its authorized shares of Class A Common Stock, solely for the purpose of its issue upon the exercise of the Warrants evidenced hereby as herein provided, such number of shares of Class A Common Stock as shall then be issuable upon the exercise of the Warrants evidenced hereby.

7. The issuance of certificates of shares for Class A Common Stock upon the exercise of the Warrants evidenced hereby shall be made without charge to the holders of such Warrants for any issuance tax in respect thereto; provided, however, that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than that of the holder of the Warrants evidenced hereby.

8. The Corporation will at no time close its transfer books against the transfer of any Class A Common Stock issued or issuable upon the exercise of the Warrants evidenced hereby in any manner which interferes with the timely exercise of such Warrants.

9. The shares of Class A Common Stock issuable hereunder shall be subject to the registration rights set forth in the Registration Rights Agreement dated September 25, 1996, as amended September 23, 1997 and March 9, 1999, between the Corporation and Hayward Industries, Inc. to the same extent as if the provisions of said Agreement were reproduced in their entirety in this Warrant Certificate.

10. The person in whose name this Warrant Certificate is registered shall be deemed the owner hereof and of the Warrant evidenced hereby for all purposes. The registered holder of this Warrant Certificate shall not be entitled to any rights whatsoever as a stockholder of the Corporation except as herein provided.

11. Upon receipt by the Corporation of evidence satisfactory to it of the loss, theft, destruction or mutilation of this Warrant Certificate, and (in case of loss, theft or destruction) of indemnity reasonably satisfactory to it, and upon surrender and cancellation of this Warrant Certificate, if mutilated, the Corporation, upon reimbursement to it of all

reasonable expenses incidental thereto, will make and deliver a new Warrant Certificate, of like tenor, in lieu of this Warrant Certificate.

12. This Warrant Certificate and the Warrants evidenced hereby may not be transferred unless such transfer would not result in a violation of the provisions of the Securities Act of 1933, as amended (herein referred to as the "Act"). Any transfer of this Warrant Certificate and the Warrants evidenced hereby, in whole or in part, shall be effected upon surrender of this Warrant Certificate, duly endorsed (unless endorsement is waived by the Corporation), at the principal office or agency of the Corporation referred to in paragraph 1.

13. All notices, requests or instructions hereunder shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid as follows:

(1) if to the Corporation:

8210 Presidents Drive
Orlando, Florida 32809

Attention: President

with a copy to:

Susan Abramson, Esq.
Katz, Kutter, Haigler, Alderman,
Bryant & Yon, P.A.
111 N. Orange Avenue, Suite 900
Orlando, Florida 32801

(2) if to the holder of the Warrants evidenced hereby:

620 Division Street
Elizabeth, New Jersey 07207

Attention: President

with a copy to:

Robert I. Wexler, Esq.
Krugman & Kailes LLP
Park 80 West Plaza Two
Saddle Brook, New Jersey 07663-5835

Any of the above addresses may be changed at any time by notice given as provided above; provided, however, that any such notice of change of address shall be effective only upon receipt.

14. Pursuant to the Confidential Resolution Agreement dated August 15, 2001 between Super Vision International, Inc. and Hayward Industries, Inc., this Warrant Certificate and the Warrants evidenced hereby supersede the Warrant Certificate dated September 25, 1996 (as amended January 10, 2000) heretofore delivered by Super Vision International, Inc. to Hayward Industries, Inc. (which shall have no further force and effect).

IN WITNESS WHEREOF, Super Vision International, Inc. has caused this Warrant Certificate to be signed by its duly authorized officers and this Warrant Certificate to be dated as of February 13, 2002.

ATTEST:	SUPER VISION INTERNATIONAL, INC.
/s/ Cindy Queen	By /s/ Larry J. Calise

FORM OF EXERCISE

(to be executed by the registered holder hereof)

The undersigned hereby exercises ______________ Warrants to subscribe for and purchase shares of Class A common stock, $.001 par value ("Class A Common Stock"), of Super Vision International, Inc. evidenced by the within Warrant Certificate and herewith makes payment of the purchase price in full. Kindly issue certificates for shares of class A Common Stock in accordance with the instructions given below. The certificate for the unexercised balance of the Warrants evidenced by the within Warrants Certificate, if any, will be registered in the name of the undersigned.

Dated:

____

Instructions for registration of stock

____
Name (please print)

Social Security or Other Identifying Number:

____

Address:

____
Street

____
City, State and Zip Code

Exhibit 23.1

Consent of Independent Certified Public Accountants

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-23689) pertaining to the Super Vision International, Inc. 1994 Stock Option Plan and in the Registration Statement (Form S-8 No. 333-32007) pertaining to the 1994 Stock Option Plan, as amended, of our report dated March 7, 2001, with respect to the consolidated financial statements of Super Vision International, Inc. included in the Annual Report (Form 10-KSB) for the year ended December 31, 2000.

/s/ Ernst & Young LLP

Orlando, Florida
March 22, 2002

Exhibit 23.2

Consent of Independent Certified Public Accountants

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-23689) pertaining to the Super Vision International, Inc. 1994 Stock Option Plan and in the Registration Statement (Form S-8 No. 333-32007) pertaining to the 1994 Stock Option Plan, as amended, of our report dated March 1, 2002, with respect to the consolidated financial statements of Super Vision International, Inc. included in the Annual Report (Form 10-KSB) for the year ended December 31, 2001.

/s/ Gallogly,Fernandez & Riley LLP

Orlando, Florida
March 22, 2002