FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 29549

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1996

or

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______________________ to___________________

Commission File Number 1-3229

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

DELAWARE	No. 95-1055798
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1840 Century Park East, Los Angeles, California 90067
(address of principal executive offices)

(310) 553-6262

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or 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

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock outstanding as of July 26, 1996 57,709,530 shares

Northrop Grumman Corporation and Subsidiaries

Part I. Financial Information

Item 1. Financial Statements

CONSOLIDATED CONDENSED STATEMENTS OF INCOME

	Three months ended June 30		Six months ended June 30	
$ in millions, except per share	1996	1995	1996	1995
Net Sales	$2,143	$1,759	$3,746	$3,376
Cost of sales				
Operating costs	1,631	1,360	2,904	2,659
Administrative and general expenses	304	232	495	433
Operating margin	208	167	347	284
Other, net	14	(3)	23	2
Interest expense	(82)	(36)	(128)	(70)
Income before income taxes	140	128	242	216
Federal and foreign income taxes	54	49	95	83
Net income	$ 86	$ 79	$ 147	$ 133

Weighted average shares outstanding, in millions	51.0	49.3	50.3	49.3
Earnings per share	$ 1.69	$ 1.59	$ 2.92	$ 2.69
Dividends per share	$ .40	$ .40	$ .80	$ .80

Northrop Grumman Corporation and Subsidiaries

CONSOLIDATED CONDENSED STATEMENTS
OF FINANCIAL POSITION

$ in millions	June 30 1996	December 31 1995
Assets		
Cash and cash equivalents	$ 119	$ 18
Accounts receivable, net of progress payments of $2,705 in 1996 and $2,426 in 1995	1,251	1,197
Inventoried costs, net of progress payments of $640 in 1996 and $428 in 1995	1,089	771
Deferred income taxes	32	25
Prepaid expenses	76	61
Total current assets	2,567	2,072
Property, plant and equipment	3,316	2,900
Accumulated depreciation	(1,759)	(1,724)
	1,557	1,176
Goodwill, net of amortization of $99 in 1996 and $63 in 1995	3,384	1,403
Other purchased intangibles, net of amortization of $70 in 1996 and $36 in 1995	1,039	356
Prepaid pension cost, intangible pension asset and benefit trust fund	169	99
Deferred income taxes	459	255
Investments in and advances to affiliates and sundry assets	256	94
	5,307	2,207
	$9,431	$5,455

$ in millions	June 30 1996	December 31 1995
Liabilities and Shareholders' Equity		
Notes payable to banks	$	$ 65
Current portion of long-term debt	250	144
Trade accounts payable	457	360
Accrued employees' compensation	318	203
Advances on contracts	190	98
Income taxes payable, including deferred income taxes of $495 in 1996 and $471 in 1995	584	528
Other current liabilities	471	317
Total current liabilities	2,270	1,715
Long-term debt	3,338	1,163
Accrued retiree benefits	1,678	1,048
Other long-term obligations	63	39
Deferred income taxes	17	31

Paid-in capital		
Preferred stock, 10,000,000 shares authorized and none issued		
Common stock, 200,000,000 shares authorized; issued and outstanding: 1996 -- 57,694,790; 1995 -- 49,462,615	770	272
Retained earnings	1,307	1,199
Unfunded pension losses, net of taxes	(12)	(12)
	2,065	1,459
	$9,431	$5,455

CONSOLIDATED CONDENSED STATEMENTS
OF CASH FLOWS

	Six months ended June 30	
$ in millions	1996	1995
Operating Activities		
Sources of Cash		
Cash received from customers		
Progress payments	$ 1,117	$1,254
Other collections	2,722	2,066
Income tax refunds received	5	7
Interest Received	3	
Other cash receipts	1	7
Cash provided by operating activities	3,848	3,334
Uses of Cash		
Cash paid to suppliers and employees	3,250	3,040
Interest paid	91	74
Income taxes paid	46	44
Other cash payments		3
Cash used in operating activities	3,387	3,161
Net cash provided by operating activities	461	173
Investing Activities		
Payment for purchase of Westinghouse ESG, net of cash acquired	(2,884)	
Additions to property, plant and equipment	(85)	(71)
Proceeds from sale of property, plant and equipment	12	16
Proceeds from sale of affiliates	12	4
Funding of retiree benefit trust	(25)	
Other investing activities	32	(7)
Net cash used in investing activities	(2,938)	(58)
Financing Activities		
Borrowings under lines of credit	1,973	150
Repayment of borrowings under lines of credit	(613)	(171)
Proceeds from issuance of long-term debt	1,000	
Principal payments of long-term debt	(140)	(71)
Proceeds from issuance of stock	498	2
Dividends paid	(39)	(39)
Other financing activities	(101)	
Net cash provided by(used in) financing activities	2,578	(129)
Increase(decrease) in cash and cash equivalents	101	(14)
Cash and cash equivalents balance at beginning of period	18	17
Cash and cash equivalents balance at end of period	$ 119	$ 3

Six months ended June 30

$ in millions	1996	1995
Reconciliation of Net Income to Net Cash Provided by Operating Activities		
Net income	$ 147	$ 133
Adjustments to reconcile net income to net cash provided		
Depreciation	100	115
Amortization of intangible assets	70	28
Write-off of intangible asset	10	
Loss/(gain) on disposals of property, plant and equipment	9	(3)
Noncash retiree benefit income	(65)	(51)
Decrease(increase) in		
Accounts receivable	106	55
Inventoried costs	(75)	116
Prepaid expenses	(43)	24
Increase(decrease) in		
Progress payments	(25)	(75)
Accounts payable and accruals	178	(108)
Provisions for contract losses	(16)	(117)
Income taxes	70	56
Other transactions	(5)	
Net cash provided by operating activities	$ 461	$ 173

Noncash Investing and Financing Activities	
Purchase of Westinghouse ESG	
Fair value of assets acquired	$ 3,894
Cash paid	(2,889)
Liabilities assumed	$ 1,005

$ in millions	Six months ended June 30 1996	1995
Paid-in Capital		
At beginning of year	$ 272	$ 265
Stock issuance	493	
Employee stock awards and options exercised, net of forfeitures	5	2
	$ 770	$ 267
Retained Earnings		
At beginning of year	$1,199	$1,026
Net income	147	133
Cash dividends	(39)	(39)
	$1,307	$1,120
Unvested Employee Restricted Award Shares	$	$ (1)
Unfunded Pension Losses, Net of Taxes	$ (12)	$

SELECTED INDUSTRY SEGMENT INFORMATION

$ in millions, except per share	Three months ended June 30 1996	Three months ended June 30 1995	Six months ended June 30 1996	Six months ended June 30 1995
Net Sales				
Military and Commercial				
Aircraft	$1,073	$1,260	$2,061	$2,408
Electronics	1,136	573	1,828	1,107
Intersegment sales	(66)	(74)	(143)	(139)
	$2,143	$1,759	$3,746	$3,376
Operating Profit				
Military and Commercial				
Aircraft	$ 125	$ 132	$ 213	$ 227
Electronics	96	46	158	77
Total operating profit	221	178	371	304
Adjustments to reconcile operating profit to operating margin:				
Other deductions(income) included above	(1)	4	(1)	
State and local income taxes	(13)	(7)	(19)	(14)
General corporate expenses	(29)	(30)	(59)	(57)
Retiree benefit cost included in contract costs	44	42	72	89
Retiree benefit cost	(14)	(20)	(17)	(38)
Operating margin	$ 208	$ 167	$ 347	$ 284
Contract Acquisitions				
Military and Commercial				
Aircraft	$1,139	$ 639	$ 1,878	$ 635
Electronics	1,057	627	4,601	1,618
Intersegment acquisitions	(78)	(71)	(162)	(137)
	$2,118	$1,195	$ 6,317	$ 2,116
Funded Order Backlog				
Military and Commercial				
Aircraft			$ 6,894	$ 7,890
Electronics			5,678	3,077
Intersegment backlog			(54)	(54)
			$12,518	$10,913

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

Basis of Presentation

The accompanying unaudited consolidated condensed financial statements have been prepared by management in accordance with the instructions to Form 10-Q of the Securities and Exchange Commission. They do not include all information and notes necessary for a complete presentation of financial position, results of operations, changes in shareholders' equity, and cash flows in conformity with generally accepted accounting principles. They do, however, in the opinion of management, include all adjustments (all of which were normal recurring accruals) necessary for a fair statement of the results for the periods presented. The financial statements should be read in conjunction with the Notes and Independent Auditors' Report contained in the company's 1995 Annual Report.

Acquisition

On March 1, 1996 the company purchased substantially all of the defense and electronics systems business of Westinghouse Electric Corporation at a cost of $2.9 billion and financed the transaction with new borrowings. The purchase method of accounting was used to record the transaction with fair values being assigned to the assets acquired and liabilities assumed. The excess of the purchase price over the tangible net assets acquired was assigned to identifiable intangible assets and the balance to goodwill with amortization on a straight-line basis over weighted average periods of 11 years and 40 years, respectively.

The business acquired is being operated as a division of the company and has been designated the Electronic Sensors and Systems Division (ESSD). Financial data of ESSD have been consolidated with Northrop Grumman effective March 1, 1996. The following unaudited pro forma financial information combines Northrop Grumman's and ESSD's results of operations as if the acquisition had taken place on January 1, 1995, and is not necessarily indicative of future operating results for Northrop Grumman.

	Three months ended June 30		Six months ended June 30	
$ in millions	1996	1995	1996	1995
Sales	$2,143	$2,317	$3,993	$4,413
Net Income	86	54	127	77
Earnings per share	1.69	1.09	2.52	1.56

Inventoried Costs
The company's inventoried costs consist primarily of work in process related to long-term contracts with customers; therefore further breakdown is considered inapplicable.

Goodwill and Other Purchased Intangibles
Goodwill and other purchased intangible assets are amortized over periods of 40 years and a weighted average of 15 years, respectively. Goodwill and other purchased intangibles balances are included in the identifiable assets of the industry segment to which they have been assigned and amortization is charged against the respective industry segment operating profit. The recoverability of goodwill and other purchased intangibles is evaluated at least annually considering the projected future profitability and cash flow at the operations to which they relate. When it is determined that an impairment has occurred, an appropriate charge to operations is recorded.

Long-Term Debt
During the first quarter of 1996 the company sold to institutional investors $400 million of 7 percent notes due 2006, $300 million of 7 3/4 percent debentures due 2016 and $300 million of 7 7/8 percent debentures due 2026. The proceeds from this issuance were used to finance a portion of the purchase price of ESSD. The debt indenture contains restrictions relating to limitations on liens, sale and leaseback arrangements and funded debt of subsidiaries. Concurrent with this debt issuance the company entered into a Registration Rights Agreement with the purchasers of the debt instruments requiring the company to file a registration statement with the Securities and Exchange Commission offering to exchange the debt instruments for registered securities of like kind and maturities. The registration statement was filed and became effective June 17, 1996.

To finance the balance of the purchase price of ESSD the company amended its Credit Agreement with a group of domestic and foreign banks to provide for three credit facilities: $1.8 billion available on a revolving credit basis through March 2002; a variable interest rate $500 million two-year term loan due March 1, 1998; and a variable interest rate $1.5 billion six-year term loan due in 24 quarterly installments of $62.5 million plus interest beginning June 1996. At June 30, 1996, a total of $2 billion was outstanding under these facilities.

The company will pay a facility fee and, at least quarterly, interest on the outstanding debt under the Credit Agreement at rates which vary based in part on the company's credit rating and leverage ratio. In the event of a change in control as defined, the banks are relieved of their commitments. Compensating balances are not required.

The credit agreement contains restrictions relating to the payment of dividends, acquisition of the company's stock, aggregate indebtedness for borrowed money and interest coverage.

Common Stock
In June 1996 the company, in a public offering, issued approximately 8 million shares of common stock at $63.25 per share. The net proceeds of $493 million was used to pay down outstanding debt under the company's credit agreement.

Contingencies
In accordance with company policy on environmental remediation, the estimated cost to complete remediation has been accrued where it is probable that the company will incur such costs in the future, including those for which it has been named a Potentially Responsible Party by the Environmental Protection Agency or similarly designated by other environmental agencies. To assess the potential impact on the company's financial statements, management estimates the total reasonably possible

remediation costs that could be incurred by the company, taking into account currently available facts on each site as well as the current state of technology and prior experience in remediation of contaminated sites. These estimates are reviewed periodically and adjusted to reflect changes in facts and technical and legal circumstances. Management estimates that at June 30, 1996, the reasonable range of future costs for environmental remediation, including those acquired in the purchase of the defense and electronics systems business of Westinghouse Electric Corporation, is $50.6 million to $75.3 million, of which $60.5 million has been accrued. While management cannot predict whether new information gained as projects progress will materially affect the estimated liability accrued, management does not anticipate that future remediation expenditures will have a material adverse effect on the company's results of operations or financial position.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE COMPANY'S FINANCIAL CONDITION AND THE RESULTS OF ITS OPERATIONS.

During the first quarter of 1996, Northrop Grumman acquired the defense and electronics systems business of Westinghouse Electric Corporation. The business acquired is being operated as a division of the company and has been designated the Electronic Sensors and Systems Division (ESSD). Northrop Grumman results for 1996 include ESSD operations from March 1, 1996, the date of acquisition. Results for 1995 do not include ESSD data.

The reporting of industry segment data has been realigned based upon the company's current mix of products. Operating results for those programs formerly reported in the missiles and unmanned vehicles segment and aircraft services programs previously included in the data systems and other services segment (DSOS) are now included in the military and commercial aircraft segment (MCA). The balance of the programs included in DSOS and all of the operations of ESSD are included in the electronics industry segment. Data for comparable prior periods has been restated.

Sales for the second quarter were the highest in the company's history and were 22 percent higher than the second quarter of 1995. Sales rose 11 percent in the first half of 1996 when compared to the first six months of 1995.

MCA industry segment sales decreased in the second quarter and first half of 1996 versus comparable periods of 1995 as a result of decreased volume on all of the segments military programs.

Electronics industry segment sales for the second quarter and first six months of 1996 increased as compared to the same periods of 1995 primarily as a result of the post acquisition sales added by ESSD.

Sales by major program/business area and units delivered were as shown in the table below. The Airborne Radar, Marine, Space and Airspace Management program areas were acquired as part of ESSD. The balance of sales for ESSD are included in the "All Other" category.

	Three months		Six months	
$ in millions	1996	1995	1996	1995
B-2	$ 456	$ 518	$ 888	$ 974
Surveillance Aircraft (E-8 Joint STARS, E-2)	304	322	561	528
F/A-18	185	213	336	394
Boeing Jetliners	158	157	261	297
Airborne Radar	161		216	
ECM	115	78	199	153
Marine	129		171	
C-17	50	72	121	139
Space	91		117	

Airspace Management	81		113	
Data Systems	47	29	89	104
All Other	366	370	674	787
	$2,143	$1,759	$3,746	$3,376

	Three months		Six months	
Units	1996	1995	1996	1995
F/A-18 C/D	19	15	32	23
747	7	7	12	13
F/A-18 E/F	1	3	3	3
C-17	1		3	2
B-2	1	1	3	2

The amount of operating profit and the rate earned on sales during the second quarter and first half of 1996 increased for the total company as compared with the comparable figures for 1995. The rate of operating profit earned on sales increased for the second quarter of 1996 as compared to the second quarter of 1995 in the MCA industry segment primarily as a result of higher rates of margin on the C-17 military transport and commercial aerostructures programs. However, the amount of operating profit recorded in the MCA segment decreased due to lower sales volume for the segment. The second quarter of 1996 was also impacted by $7 million in expenditures for ongoing company-sponsored research and development on commercial aerostructures. The second quarter 1995 results included cumulative margin rate adjustments of a net $34 million resulting from positive improvements on the B-2 and C-17 programs, which were partially offset by a downward adjustment on the Boeing 747 jetliner program. MCA segment operating profit for the first six months decreased as compared to the first half of 1995 as a result of the lower overall revenues on the segment's military programs, $14 million of company-sponsored research and development on commercial aerostructures and a $25 million charge recorded in the first quarter related to the work performed for Fokker Aircraft N.V., which declared bankruptcy in March 1996. These decreases were partially offset by higher operating margin recorded on the C-17 and commercial aerostructures programs. Electronics industry segment operating profit for the second quarter of 1996

increased versus the second quarter of 1995 as a result of increased operating margin on several of the company's existing electronics programs as well as the inclusion of the ESSD operations. Operating profit for the first six months of 1996 increased as compared to the first half of 1995 as a result of a higher amount and rate of operating margin on increased E-2 Hawkeye program revenues and the post-acquisition results of ESSD.

Other income for the second quarter of 1996 included a $12 million gain from the sale of an equity investment in a manufacturer of high technology equipment. Other income for the first half of 1996 also included a $4 million gain from the early retirement of notes payable which were due in 1999.

Interest expense for the second quarter of 1996 was $46 million higher than the corresponding quarter in 1995. Interest expense for the first six months of 1996 was $58 million higher than the first half of 1995. These increases resulted from the higher average level of borrowings due to new borrowings required for the ESSD acquisition.

In June 1996 the company issued approximately 8 million shares of common stock in a public offering. The $493 million in net proceeds from the issuance were used to pay down long-term debt. During the first half of 1996, $461 million of cash was generated from operations versus $173 million in the first six months of 1995 and was more than sufficient to finance capital expenditures and dividends. The company's liquidity and financial flexibility will continue to be provided by cash flow generated from operating activities, which for the balance of this year is not expected to continue at the level achieved in the first half, supplemented by unused borrowing capacity under the company's credit agreement and other short term credit facilities.

Forward-Looking Information

Certain statements or assumptions in Management's Discussion and Analysis contain or are based on "forward-looking" information (as defined in the Private Securities Litigation and Reform Act of 1995) that involve risk and uncertainties, including the availability of future cash flow. The company's operations are necessarily subject to various risks and uncertainties, actual outcomes are dependent upon the company's successful performance of internal plans, government customers'budgetary restraints, customer changes in short range and long range plans, domestic and international competition in both the defense and commercial areas, product performance, continued development and acceptance of new products, performance issues with key suppliers and subcontractors, government import and export policies, termination of government contracts, political processes, legal, financial and governmental risks related to international transactions and global needs for military and commercial aircraft and electronic systems and support, as well as other economic, political and technological risks and uncertainties.

Part II OTHER INFORMATION
Item 1. Legal Proceedings

False Claims Act Litigation

In the second quarter of 1996, a Federal jury returned a unanimous verdict for the company with respect to the remaining issues in the litigation described in the company's Annual Report on Form 10-K for 1995 as supplemental in Item 1 of Part II of the company's Form 10-Q for the quarterly period ended March 31, 1996 entitled U.S. ex rel David Peterson and Jeff Kroll v. Northrop Corporation. The government had asserted three separate claims totaling approximately $13.5 million, including a claim for alleged mischarging of approximately $12 million in violation of the False Claims Act. Damages awarded under the False Claims Act are subject to doubling or trebling and possible additional penalties including disallowance of attorneys' fees. The government has filed a motion for a new trial.

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

(a) Annual Meeting --

The annual meeting of stockholders of Northrop Grumman Corporation was held on May 15, 1996.

(b) Election of Directors --

The following Class II Director nominees were elected at the annual meeting:

Phillip Frost
John E. Robson
John Brooks Slaughter

The Directors whose term of office continues are:

Jack R. Borsting
John T. Chain, Jr.
Jack Edwards
Kent Kresa
Aulana L. Peters
Richard M. Rosenberg
Wallace C. Solberg
Brent Scowcroft
Richard J. Stegemeier

(c) The matters voted upon at the meeting and the results of each vote are as follows:

For Directors:	Votes For	Votes Against	Shares Abstaining
Phillip Frost	42,296,225	526,405	-
John E. Robson	42,277,304	545,326	-
John Brooks Slaughter	42,321,561	501,069	-

	Votes For	Votes Against	Shares Abstaining	Broker Non-Votes
Approval of the amendments to the Company's 1993 Long-Term Incentive Stock Plan	38,991,109	3,304,996	526,529	0
Ratification of the appointment of Deloitte & Touche as the Company's independent auditors	42,357,028	264,540	198,816	2,259
Shareholder Proposal	2,611,780	33,499,450	2,517,163	4,194,240

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit 4.1 - Form of Officers' Certificate (without exhibits) establishing the terms of Northrop Grumman Corporation 7% Note Due 2006, 7 3/4% Debenture Due 2016 and 7 7/8% Debenture Due 2026 (incorporated by reference to Form S-4 Registration Statement (Reg. No. 333-02653) filed April 19, 1996, as amended by Amendment No. 1 filed May 22, 1996 and Amendment No. 2 filed June 14, 1996).

Exhibit 4.2 - Form of Northrop Grumman Corporation 7% Note Due 2006 (incorporated by reference to Form S-4 Registration Statement (Reg. No. 333-02653) filed on April 19, 1996, as amended by Amendment No. 1 filed May 22, 1996 and Amendment No. 2 filed June 14, 1996).

Exhibit 4.3 - Form of Northrop Grumman Corporation 7 3/4% Debenture Due 2016 (incorporated by reference to Form S-4 Registration Statement (Reg. No. 333-02653) filed April 19, 1996, as amended by Amendment No. 1 filed May 22, 1996 and Amendment No. 2 filed June 14, 1996).

Exhibit 4.4 - Form of Northrop Grumman Corporation 7 7/8% Debenture Due 2026 (incorporated by reference to Form S-4 Registration Statement (Reg. No. 333-02653) filed April 19, 1996, as amended by Amendment No. 1 filed May 22, 1996 and Amendment No. 2 filed June 14, 1996).

Exhibit 10.1 - Second Amended and Restated Credit Agreement dated as of April 15, 1994, Amended and Restated as of March 1, 1996 (incorporated by reference to Form 8-K/A filed June 3, 1996).

Exhibit 11 - Statement re Computation of Per Share Earnings

Exhibit 27 - Financial Data Schedule

(b) Reports on Form 8-K

A report on Form 8-K/A was filed with the Securities and Exchange Commission on June 3, 1996 regarding the acquisition from Westinghouse Electric Corporation of substantially all of the assets of its Electronics Systems Group, amending the report on Form 8-K filed on March 18, 1996.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Northrop Grumman Corporation (Registrant)

Date: August 2, 1996

by/s/N. F. Gibbs
Nelson F. Gibbs
Vice President and Controller

Date: August 2, 1996

by/s/James C. Johnson
James C. Johnson
Vice President and Secretary

EXHIBIT 11
STATEMENT RE COMPUTATION OF PER SHARE EARNINGS
(in thousands, except per share)

	Three months ended June 30		Six months ended June 30	
Primary:	1996	1995	1996	1995
Average shares outstanding	50,978	49,350	50,275	49,309
Common stock equivalents	1,300	1,057	1,319	945
Totals	52,278	50,407	51,594	50,254
Net income	$86,044	$78,408	$146,789	$132,530
Earnings per share(1)	$ 1.65	$ 1.56	$ 2.85	$ 2.64
Fully diluted:				
Average shares outstanding	50,978	49,350	50,275	49,309
Common stock equivalents	1,419	1,092	1,420	1,092
Totals	52,397	50,442	51,695	50,401
Net income	$86,044	$78,408	$146,789	$132,530
Earnings per share(1)	$ 1.64	$ 1.55	$ 2.84	$ 2.63

____

(1) This calculation was made in compliance with Item 601 of Regulation S-K. Earnings per share presented elsewhere in this report exclude from their calculation shares issuable under employee stock options,

since their dilutive effect is less than 3%

WARNING: THE EDGAR SYSTEM ENCOUNTERED ERROR(S) WHILE PROCESSING THIS SCHEDULE.

5

QTR-2
DEC-31-1996
JUN-30-1996
119
0
4,052
96
1,089
2,567
3,316
1,759
9,431
2,270
3,588
0
0
770
1,295
9,431
3,746
3,746
3,399
3,399
(23)
0
128
242
95
147
0
0
0
147
2.92
2.92