UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For Three Months Ended January 28, 1994

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 No. 1-9232

VOLT INFORMATION SCIENCES, INC.

(Exact name of registrant as specified in its charter)

New York	13-5658129
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1133 Avenue of the Americas, New York, New York	10036
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 704-2400

Not Applicable
(Former name, former address and former fiscal year, if changed since last year)

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, and (2) has been subject to such filing requirements for the past 90 days.

Yes X No _____

The number of shares of Common Stock, $.10 par value, outstanding as of March 7, 1994 was 4,803,026.

PART I - Financial Information

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

<TABLE>
<CAPTION>

	Three Months Ended	
	January 28, 1994	January 29, 1993
	(Dollars in thousands)	
<S>	<C>	<C>
REVENUES		
Sales of services	$130,216	$111,755

Sales of products	12,338	11,576
Equity in income of joint ventures--Note F	50	495
Interest income	230	358
Gains on sales of securities	1	162
Other income - net--Note B	15	227
	-------	-------
	142,850	124,573
	-------	-------
COSTS AND EXPENSES		
Cost of sales		
Services	122,871	106,309
Products	8,026	6,940
Selling and administrative	8,865	8,270
Research, development & engineering	1,238	1,719
Depreciation and amortization	2,644	2,560
Foreign exchange loss - net	96	57
Interest	2,075	2,808
	-------	-------
	145,815	128,663
	-------	-------
Loss before income tax benefit, extraordinary item and cumulative effect of a change in accounting	(2,965)	(4,090)
Income tax benefit--Note H	1,002	1,347
	-------	-------
Loss before extraordinary item and cumulative effect of a change in accounting	(1,963)	(2,743)
Extraordinary item--Note I	(189)	
Cumulative effect of a change in accounting for income taxes--Note H		959
	-------	-------
Net loss	$(2,152)	$(1,784)
	=======	=======

</TABLE>

<TABLE>
<CAPTION>

	(Per Share Data)	
<S>	<C>	<C>
Loss before extraordinary item and cumulative effect of a change in accounting	$(.41)	$(.57)
Extraordinary item	(.04)	
Cumulative effect of a change in accounting for income taxes		.20
	-----	------
Net loss	$(.45)	$(.37)
	=====	=====
Number of shares used in computation-- Note G	4,802,026	4,790,381
	=========	=========

See accompanying notes.
</TABLE>

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

<TABLE>
<CAPTION>

	January 28, 1994	October 29, 1993 (a)
	------------	-------------
	(Dollars in thousands)	
<S>	<C>	<C>
ASSETS		

CURRENT ASSETS		
Cash and cash equivalents	$22,387	$41,081
Short-term investments at lower of cost or market--market value $1,014 (1994) and $2,264 (1993)	1,000	2,260
Trade accounts receivable less allowances of $3,852 (1994) and $3,960 (1993)--Note B	75,894	73,724
Inventories--Note C	24,671	28,539
Recoverable income taxes	5,425	4,695
Deferred income taxes	2,543	3,402
Prepaid expenses and other assets	3,934	5,121
	-------	-------
TOTAL CURRENT ASSETS	135,854	158,822
INVESTMENTS--market value $3,265 (1994) and $5,571 (1993)	3,215	5,502
INVESTMENTS in joint ventures--Note F	15,005	15,337
PROPERTY, PLANT AND EQUIPMENT--at cost--Note D		
Land and buildings	33,228	33,192
Machinery and equipment	42,033	41,767
Leasehold improvements	2,194	2,393
	--------	-------
	77,455	77,352
Less allowances for depreciation and amortization	31,475	30,709
	--------	--------
	45,980	46,643
DEPOSITS, RECEIVABLES AND OTHER ASSETS	2,937	3,652
INTANGIBLE ASSETS--net of accumulated amortization of $3,050 (1994) and $2,901 (1993)	5,787	5,936
	--------	--------
	$208,778	$235,892
	========	========

</TABLE>

<TABLE>
<CAPTION>

	January 28, 1994	October 29, 1993 (a)
	--------------	--------------
	(Dollars in thousands)	
	<C>	<C>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable to banks	$6,329	$6,207
Current portion of long-term debt--Note D	15,400	20,000
Accounts payable	17,257	26,402
Accrued expenses		
Wages and commissions	16,979	17,268
Taxes other than income taxes	6,412	5,954
Insurance	10,920	9,344
Other	3,763	5,995
Customer advances and other liabilities	11,646	6,563
	--------	--------

TOTAL CURRENT LIABILITIES	88,706	97,733
LONG-TERM DEBT--NOTE D	42,751	58,095
DEFERRED INCOME TAXES	1,585	2,386
	------	------
	133,042	158,214
STOCKHOLDERS' EQUITY--Notes D, E and F		
Preferred stock, par value $1.00 Authorized--500,000 shares; issued--none		
Common stock, par value $.10 Authorized--15,000,000 shares; issued - 7,789,580 shares	779	779
Paid-in capital	43,823	43,823
Retained earnings	77,730	79,882
Unrealized foreign currency translation adjustment	(496)	(706)
	-------	--------
	121,836	123,778
Less common stock held in treasury, at cost--2,987,554 shares	46,100	46,100
	-------	-------
	75,736	77,678
	--------	--------
	$208,778	$235,892
	========	========

</TABLE>

(a) The Balance Sheet at October 29, 1993 has been derived from the audited financial statements at that date.

See accompanying notes.

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<TABLE>
<CAPTION>

	Three Months Ended	
	January 28, 1994	January 29, 1993
	(Dollars in thousands)	
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$(2,152)	$(1,784)
Adjustments to reconcile net loss to cash provided by (applied to) operating activities:		
Extraordinary loss	189	
Cumulative effect of a change in accounting		(959)
Depreciation and amortization	2,644	2,560
Equity in income of joint ventures	(50)	(495)
Distributions from joint ventures	705	1,323
Accounts receivable provisions	237	326
Amortization of deferred debenture costs, debt discounts and other deferred charges	183	193

(Gains) losses on foreign currency translation	19	(340)
(Gains) losses on dispositions of fixed assets	7	(3)
Deferred income tax benefit	(56)	(1,159)
Gains on sales of securities	(1)	(162)
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(2,720)	9,553
Decrease in inventories	3,878	3,839
(Increase) decrease in prepaid expenses and other current assets	1,186	(45)
(Increase) decrease in other assets	454	(409)
Increase (decrease) in accounts payable	(7,248)	6,031
Decrease in accrued expenses	(474)	(1,676)
Increase in customer advances and other liabilities	5,087	4,182
Decrease in income taxes	(628)	(582)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,260	20,393

</TABLE>

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS--CONTINUED
(UNAUDITED)

<TABLE>
<CAPTION>

<S>	Three Months Ended January 28, 1994 (Dollars in thousands) <C>	 January 29, 1993 <C>
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of investments	3,863	819
Maturities of investments	949	300
Purchases of investments	(1,282)	(2,549)
Proceeds from disposals of property, plant and equipment	10	22
Purchases of property, plant and equipment	(3,782)	(2,069)
NET CASH APPLIED TO INVESTING ACTIVITIES	(242)	(3,477)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in long-term debt	(20,000)	
Increase in notes payable to banks	263	610
NET CASH PROVIDED BY (APPLIED TO) FINANCING ACTIVITIES	(19,737)	610
Effect of exchange rate changes on cash	25	162
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(18,694)	17,688
Cash and cash equivalents, beginning of period	41,081	28,557
CASH AND CASH EQUIVALENTS, END OF PERIOD	$22,387	$46,245

SUPPLEMENTAL INFORMATION
Cash Paid:

Interest	$4,299	$4,897		
Income tax (refunds) payments-net			$ (256)	$ 359

See accompanying notes.
</TABLE>

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note A--Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions for Form 10-Q, and therefore do not include all information and footnotes necessary for a fair presentation of financial position, results of operations and cash flows in conformity with generally accepted accounting principles. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all normal recurring adjustments and accruals considered necessary for a fair presentation of the Company's financial position at January 28, 1994 and results of operations and cash flows for the three months ended January 28, 1994 and January 29, 1993. Operating results for the three months ended January 28, 1994 are not necessarily indicative of the results that may be expected for the fiscal year ending October 28, 1994.

These statements should be read in conjunction with the financial statements and footnotes included in the Company's Annual Report on Form 10-K for the year ended October 29, 1993. The accounting policies used in preparing these financial statements are the same as those described in the Company's Annual Report.

The Company's fiscal year ends on the Friday nearest October 31.

Note B--Accounts Receivable

In October 1993, the Company entered into a three-year agreement to sell, on a limited recourse basis, up to $25,000,000 of undivided interests in a designated pool of certain eligible accounts receivable. As collections reduce previously sold undivided interests, new receivables may be sold up to the $25,000,000 level. At January 28, 1994, $25,000,000 of accounts receivable had been sold under this agreement. The sold accounts receivable are reflected as a reduction of receivables in the accompanying 1994 balance sheet. The proceeds from the sale were used to pay debt (see Note D). The Company pays fees based on the purchaser's borrowing costs incurred on short-term commercial paper which financed the purchase of receivables. Other income in the accompanying 1994 statement of operations is reduced by $354,000 for such fees.

The purchaser may terminate the agreement on a minimum of six months' notice. In addition, the agreement may be terminated if the Company does not maintain a minimum tangible net worth, as defined, and a maximum ratio of debt to tangible net worth.

Note C--Inventories

Inventories consist of:

<TABLE>

<CAPTION>

<S>	January 28, 1994 <C>	October 29, 1993 <C>
	(Dollars in thousands)	
Services:		
Accumulated unbilled costs on:		
Service contracts	$9,075	$9,818
Long-term contracts	7,439	11,409
	16,514	21,227
Products:		
Materials	1,581	1,497
Work-in-progress	1,218	942
Service parts	1,372	968
Finished goods	3,986	3,905
	8,157	7,312
Total	$24,671	$28,539

</TABLE>

The cumulative amounts billed, principally under long-term contracts of $66,618,000 at January 28, 1994 and $53,371,000 at October 29, 1993 are credited against the related costs in inventory. Substantially all the amounts billed have been collected.

Note D--Long-Term Debt

Long-term debt consists of the following:

<TABLE>
<CAPTION>

<S>	January 28, 1994 <C>	October 29, 1993 <C>
	(Dollars in thousands)	
12-3/8% Senior Subordinated Debentures due, July 1, 1998--net of unamortized discount of $104,000-1994 and $160,000-1993 (a)	$42,751	$62,695
Mortgage Payable, due December 22, 1994 (b)	15,400	15,400
	58,151	78,095
Less amounts due within one year	15,400	20,000
Long-term debt	$42,751	$58,095

</TABLE>

(a)-The debentures provide for interest to be paid semi-annually on January 1 and July 1. The debentures are redeemable at the option of the Company, in whole or in part, at 100%, plus accrued interest. In October, 1993, as a result of a financing agreement (see Note B), the Company called for the redemption and, in November, 1993, redeemed $20,000,000 principal amount of debentures which satisfied mandatory sinking fund payments through July 1, 1996 and reduced the sinking fund payment required on July 1, 1997 to $2,860,000. The remaining $39,995,000 principal amount is due July 1, 1998. The early redemption, at par, resulted in an extraordinary loss of $189,000, net of income taxes, due to the write-off of related discount and issuance costs. The debentures are subordinated to all existing and future senior indebtedness (as defined) of the Company. At January 28, 1994, the amount available for dividends, pursuant to the terms of the indenture under which the debentures are issued, was $16,575,000 and, if no dividend payments are made, the amount available for capital stock repurchases was $26,575,000. However, under the terms of the aforementioned financing agreement (see Note B), at such date, only $4,160,000 was available for such restricted payments.

(b)-The mortgage payable, secured by a deed of trust on land and a building (book value at January 28, 1994 - $15,100,000), bears interest at 1/2% per annum above the Chemical Bank base rate or 1-1/2% per annum above LIBOR plus certain additional charges, at the option of the Company. Interest (4.9% at January 28, 1994) is payable monthly with no principal payments required until maturity. The obligation is of a subsidiary and is guaranteed by the Company. The Company is currently investigating the replacement or extension of the mortgage liability.

Note E--Stockholders' Equity

Changes in the major components of stockholders' equity for the three months ended January 28, 1994 are as follows:

<TABLE>
<CAPTION>

<S>	Common Stock <C>	Paid-In Capital <C>	Retained Earnings <C>	Treasury Stock <C>
	(Dollars in thousands)			
Balance at October 29, 1993	$779	$43,823	$79,882	$(46,100)
Net loss for the quarter			(2,152)	
Balance at January 28, 1994	$779	$43,823	$77,730	($46,100)

</TABLE>

The other component of stockholders' equity is an unrealized foreign currency translation adjustment due to the Company's investment in its Australian joint ventures, whose functional currency is the Australian dollar.

Note F--Summarized Financial Information of Joint Ventures

The Company has investments in two active joint ventures. One 12-1/2% owned corporate joint venture formed in 1991 with Telstra Corporation Ltd. (Telstra), the Australian Government owned telephone company and others, assumed the responsibility throughout Australia for the marketing, sales and compilation functions of all yellow page directories for Telstra under the terms of a twelve-year contract. The venture earns a major portion of its revenues and significantly all of its profits in the Company's second and third fiscal quarters. The Company's equity in income of the Australian joint ventures in the first quarter of fiscal 1993 reflected the reversal of a tax liability as a result of the completion of an Australian tax examination of a 50% owned, inactive joint venture.

The other 50% owned joint venture, with a major telephone company, composes telephone directories in the United States for the parent of the other joint venturer under a contract expiring December 31, 1996, which can be terminated by either party under certain conditions.

Consolidated retained earnings at January 28, 1994 includes $6,429,000 representing the undistributed earnings of the joint ventures. Income taxes have been paid or provided for on such earnings.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS--
CONTINUED (UNAUDITED)

Note F--Summarized Financial Information of Joint Ventures--(Continued)

The following summarizes the financial information of the joint ventures:

<TABLE>
<CAPTION>

	January 28, 1994		October 29, 1993	
	(Dollars in thousands)			
	Total	Company's Equity	Total	Company's Equity
<S>	<C>	<C>	<C>	<C>
Current assets	$126,319		$191,302	
Noncurrent assets	18,946		17,852	
Current liabilities	(96,783)		(160,110)	
Equity of combined joint ventures	$48,482		$49,044	
Equity of Australian joint ventures (a)	$35,661	$8,522	$35,789	$8,670
Equity of United States joint venture	12,821	6,411	13,255	6,627
Other capitalized costs, net		72		40
	$48,482		$49,044	
Investments in joint ventures		$15,005		$15,337

</TABLE>

(a)-Pursuant to the venture agreement, the initial capital contributions of all venturers, other than Telstra, exceeded their proportionate share of ownership interest in the corporate joint venture. The agreement provides that, upon liquidation of the venture, the venturers will be entitled to recover such excess contributions from the net assets of the venture.

<TABLE>
<CAPTION>

	Three Months Ended			
	January 28, 1994		January 29, 1993	
	(Dollars in thousands)			
	Total	Company's Equity	Total	Company's Equity
<S>	<C>	<C>	<C>	<C>
Revenues	$62,063		$58,595	
Costs and expenses	67,141		64,922	
Income tax benefit	(1,870)		(3,254)	
(Loss) before cumulative effect of a change in accounting	(3,208)		(3,073)	
Cumulative effect of a change in accounting for Australian income taxes (a)			5,688	
Net income (loss)	$(3,208)		$2,615	
Income (loss) of Australian joint ventures before cumulative effect of a change in accounting	$(4,276)	$(484)	$(3,941)	$61

Net income of United States joint venture	1,068	534	868	434
	$(3,208)		$(3,073)	
Company's equity in income of joint ventures		$50		$495

</TABLE>

(a) During the first quarter of fiscal 1993, the Company's Australian corporate joint venture changed its method of accounting for income taxes by adopting the Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." The cumulative effect of the change increased the joint venture's income by $5,688,000 due to its ability to recognize deferred Australian tax assets as permitted by Statement No. 109. The Company's portion of this increase in income, net of United States taxes, is $432,000 and is included in the Company's cumulative effect of a change in accounting for income taxes. (see Note H).

Note G--Per Share Data

The computation of per share data for the three months ended January 28, 1994 and January 29, 1993 include only the weighted average number of shares of Common Stock outstanding; the outstanding stock options have not been included in the computation since inclusion would not have a material effect.

Note H--Income Taxes

Effective as of the beginning of the three months ended January 29, 1993, the Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." Prior to the adoption of Statement No. 109, income tax expense was determined using the liability method prescribed by Statement No. 96, which is superseded by Statement No. 109. Among other changes, Statement No. 109 changes the recognition and measurement criteria for deferred tax assets included in Statement No. 96.

As permitted by Statement 109, the Company has elected not to restate the financial statements of any prior years. The cumulative effect of adopting Statement No. 109 at the beginning of the first quarter of fiscal 1993 was to increase net income by $959,000 ($.20 per share), including $432,000 attributable to a corporate joint venture (see Note F).

Significant components of the income tax benefit attributable to operations are as follows:

<TABLE>
<CAPTION>

	Three Months Ended	
	January 28, 1994	January 29, 1993
	(Dollars in thousands)	
<S>	<C>	<C>
Current:		
Federal	$(961)	$(367)
Foreign	54	196
State and local	(39)	(17)
	(946)	(188)
Deferred:		
Federal	(54)	(1,109)
State and local	(2)	(50)

	-------	-------
	(56)	(1,159)
	-------	------
	$(1,002)	$(1,347)
	=======	=======

Note I--Extraordinary Item
</TABLE>

The extraordinary loss in the three months ended January 28, 1994 is the result of the early redemption at par of $20,000,000 face value of the Company's 12-3/8% Subordinated Debentures. The loss was due to the write-off of the related discount and issuance costs and is net of an income tax benefit of $101,000.

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

THREE MONTHS ENDED JANUARY 28, 1994 COMPARED
TO THE THREE MONTHS ENDED JANUARY 29, 1993

The information which appears below relates to prior periods, the results of operations for which periods are not necessarily indicative of the results which may be expected for any subsequent periods. Management has made no predictions or estimates as to future operations, except as discussed below in this analysis, and no inferences as to such future operations should be drawn.

The following summarizes the results of operations by segment:
<TABLE>
<CAPTION>

	For The Three Months Ended	
	January 28, 1994	January 29, 1993
	(Dollars in thousands)	
<S>	<C>	<C>
Revenues:		
Technical Services and Temporary Personnel	$96,172	$76,862
Electronic Publication and Typesetting Systems	12,493	12,294
Telephone Directory	11,888	16,734
Engineering and Construction	14,147	11,661
Computer Systems	8,813	7,415
Equity in income of joint ventures	50	495
Interest and other income-net	246	747
Elimination of intersegment revenues	(959)	(1,635)
	--------	--------
	$142,850	$124,573
	========	========
Loss Before Income Tax Benefit, Extraordinary Item and Cumulative Effect of a Change in Accounting:		
Operating Profit (Loss):		
Technical Services and Temporary Personnel	$2,019	$768
Electronic Publication and Typesetting Systems	48	291
Telephone Directory	(358)	(909)
Engineering and Construction	348	(35)
Computer Systems	(948)	(155)
Eliminations	23	(302)
	-------	------
Total Operating Profit (Loss)	1,132	(342)
Equity in income of joint ventures	50	495
Interest and other income-net	246	747
General corporate expenses	(2,222)	(2,125)
Interest expense	(2,075)	(2,808)
Foreign exchange loss--net	(96)	(57)
	-------	-------
Loss Before Income Tax Benefit, Extraordinary Item		

and Cumulative Effect of a Change in Accounting	$(2,965)	$(4,090)
	=======	=======

</TABLE>

THREE MONTHS ENDED JANUARY 28, 1994 COMPARED
TO THE THREE MONTHS ENDED JANUARY 29, 1993--CONTINUED

In 1994, revenues increased by $18,277,000 or 15% to $142,850,000 and the loss before income taxes, an extraordinary item and, in 1993, the cumulative effect of a change in accounting decreased by $1,125,000 or 28% to $2,965,000.

The Technical Services and Temporary Personnel segment's sales increased by $19,310,000 or 25% to $96,172,000 in 1994 and operating profit increased by $1,251,000 to $2,019,000 in 1994. The increase in sales and operating profit was attributable to increased business with new and existing customers throughout the segment. Most of the contracts entered into are of a relatively short duration and competition is intense. Although the markets for the segment's services include a broad range of industries throughout the United States, general economic difficulties in specific geographic areas or industrial sectors have in the past, and could in the future, affect the profitability of this segment.

Sales of the Electronic Publication and Typesetting Systems segment increased by $199,000 or 2% to $12,493,000 in 1994. The operating profit was $48,000 compared to $291,000 in 1993. The sales increase was in both the domestic and foreign markets. The operating profit decline was due to lower gross margins caused by competitive pressures, partially offset by reduced development, engineering and administrative costs. The markets in which the segment competes are marked by rapidly changing technology and, while the Company continues its investments in research and development, there is no assurance that this segment's present or future products will be competitive, that the segment will continue to develop new products or that such present products or new products can be successfully marketed.

The Telephone Directory segment's sales decreased by $4,846,000 or 29% to $11,888,000 in 1994 while the operating loss decreased by $551,000 or 61% to $358,000 in 1994. The sales decline in 1994 was primarily due to the sale in 1993 of an automated directory management system which accounted for 29% of the segment's sales and, in 1994, lower commercial printing business in Uruguay. The telephone directory production operations experienced an increase in sales of $860,000 due to increased volumes. The reduction in operating loss was due to higher margins on the new business and lower development costs. This segment provides telephone directory production, publication of community and university directories, publication services, commercial printing and directory publishing in Uruguay and develops proprietary automated systems for directory management and production for sale or license to directory publishers.

THREE MONTHS ENDED JANUARY 28, 1994 COMPARED
TO THE THREE MONTHS ENDED JANUARY 29, 1993--CONTINUED

This segment's services are rendered under various short and long-term contracts. Certain contracts expire in fiscal 1994 through 1996 and there can be no assurance that they will be renewed on satisfactory terms.

The Engineering and Construction segment's sales increased by $2,486,000 or 21% to $14,147,000 in 1994 and the operating profit was $348,000 in 1994 compared to an operating loss of $35,000 in 1993. The sales increase was due primarily to new business and increased volume with existing customers. Operating results improved due to the increased sales and improved gross margins. The segment operates in the intensely competitive telephone plant construction, interconnect and engineering markets.

Sales of the Computer Systems segment increased by $1,398,000 or 19% to $8,813,000 in 1994. The segment's operating loss was $948,000 in 1994 compared to a loss of $155,000 in 1993. The increase in sales was due primarily to increased maintenance revenue. The operating loss increase was due to higher costs incurred at facilities established in 1993 to develop and market new products and increased marketing, support and administrative costs related to the existing product line, including the Delta Operator Services System (DOSS).

The first DOSS contract which is with a major telephone company was entered into in 1991. Delivery and installation at the customer's premises began during fiscal 1992 and continued through the first quarter of fiscal 1994. Revenue from the contract will be recognized upon acceptance by the telephone company. Although the system has been installed at most of the intended sites and is being utilized commercially by the customer, it is still in the process of implementation. While system acceptance is presently anticipated in fiscal 1994, a failure to obtain system acceptance from this customer could have a significant adverse impact on this segment's operations and could jeopardize its ability to continue to market the product. During 1992, Volt Delta also entered into a second contract for DOSS with another major telecommunications customer; in 1993, a pilot system was installed which is being used commercially and is also in the process of acceptance testing. In fiscal 1993, the segment was awarded three additional contracts, two of which necessitated the opening of new branch facilities. In addition, a new marketing and development facility was opened in 1993. There can be no assurance that the Company will be able to obtain additional contracts or additional orders under existing contracts.

THREE MONTHS ENDED JANUARY 28, 1994 COMPARED
TO THE THREE MONTHS ENDED JANUARY 29, 1993--CONTINUED

The Company's share of the income of its joint ventures was $50,000 in the first quarter of 1994, a decrease of $445,000 from the first quarter of 1993. The Company's portion of the loss of the Australian joint ventures was $484,000 in 1994 compared to a profit of $61,000 in 1993. The profit in 1993 was primarily attributable to the reversal of a tax liability as a result of the completion of an Australian tax examination. The venture earns a major portion of its revenues and significantly all of its profits in the Company's second and third fiscal quarters. Another joint venture, which composes telephone directories in California under a contract that expires in 1996, reported increased profits due primarily to higher margins and reduced costs.

Interest and other income decreased by $501,000 or 67% to $246,000 due primarily to fees incurred in 1994 in conjunction with the sale of accounts receivable (see Note B), and lower interest income in 1994.

General corporate expenses increased by $97,000 or 5% to $2,222,000 in 1994.

Interest expense decreased by $733,000 or 26% to $2,075,000 in 1994 compared to 1993 due to the early redemption of $20,000,000 of the Company's 12-3/8% Subordinated Debentures and reductions in the principal and interest rate on a mortgage loan.

Research, development and engineering costs decreased by $480,708 or 28% to $1,238,345 in 1994 due primarily to reductions in the Telephone Directory and Electronic Publication and Typesetting Systems segments.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS--CONTINUED

THREE MONTHS ENDED JANUARY 28, 1994 COMPARED
TO THE THREE MONTHS ENDED JANUARY 29, 1993--CONTINUED

Liquidity and Source of Capital

Cash and cash equivalents decreased by $18,694,000 in the three months ended January 28, 1994 to $22,387,000 primarily due to the $20,000,000 redemption, at par, of Subordinated Debentures. In addition, working capital decreased by $13,941,000 in the three months to $47,148,000 at January 28, 1994 due principally to the inclusion in current liabilities of a $15,400,000 mortgage liability payable in December, 1994.

Cash of $1,260,000 was provided from operating activities in 1994 compared to $20,393,000 in 1993. The decrease in the funds provided by operations in 1994 was due primarily to an increase in accounts receivable and a decrease in accounts payable.

The Company believes that its current financial position, working capital and future cash flow will be sufficient to fund operations and satisfy its debt obligations. The Company has a $10,000,000 credit line with a domestic bank expiring April 30, 1994, unless renewed. The Company is currently negotiating the renewal of its credit line and is investigating the replacement or extension of the mortgage liability.

At January 28, 1994, the Company's investment portfolio included investments with a cost of $4,215,000 and unrealized gains of $64,000.

The Company has no material capital commitments. The Company may determine from time to time in the future to buy additional shares of its Common Stock and/or Debentures in the market or in privately negotiated transactions.

PART II - Other Information

Items 1 through 5 were not applicable.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

15.01 Letter from Ernst & Young

15.02 Letter from Ernst & Young regarding interim financial information.

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended January 28, 1994.

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.

VOLT INFORMATION SCIENCES, INC.
(Registrant)

BY /s/ JACK EGAN

(Signature)

Date: March 10, 1994

JACK EGAN
Vice President - Corporate Accounting
(Principal Accounting Officer)

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
15.01	Letter from Ernst & Young
15.02	Letter from Ernst & Young regarding interim financial information.

March 2, 1994

Securities and Exchange Commission
Washington, DC 20549

We are aware of the incorporation by reference in Post-Effective Amendment No. 2 to Registration Statement No. 2-75618 on Form S-8 dated September 12, 1988, Post Effective Amendment No. 3 to Registration Statement No. 2-70180 on Form S-8 dated April 8, 1983, Registration Statement No. 2-88018 on Form S-3 dated December 1, 1983 and Registration Statement No. 33-18565 on Form S-8 dated December 14, 1987 of Volt Information Sciences, Inc., of our report dated March 2, 1994 relating to the unaudited condensed consolidated interim financial statements of Volt Information Sciences, Inc. which are included in its Form 10Q for the quarter ended January 28, 1994.

Pursuant to Rule 436(c) of the Securities Act of 1933 our report is not a part of the registration statement prepared or certified by accountants within the meaning of Section 7 or 11 of the Securities Act of 1933.

Ernst & Young

New York, New York

ERNST & YOUNG 787 Seventh Avenue Phone 212-773-3000
New York, New York 10019

INDEPENDENT ACCOUNTANTS' REPORT ON REVIEW OF INTERIM
FINANCIAL INFORMATION

Board of Directors
Volt Information Sciences, Inc.

We have reviewed the accompanying unaudited condensed consolidated balance sheet of Volt Information Sciences, Inc. and subsidiaries as of January 28, 1994 and, the related condensed consolidated statements of operations and cash flows for the three month periods ended January 28, 1994 and January 29, 1993. These financial statements are the responsibility of the Company's management.

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

Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet as of October 29, 1993, and the related consolidated statements of operations and cash flows for the year then ended, not presented herein; and in our report dated January 5, 1994, we expressed an unqualified opinion on these consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of October 29, 1993, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Ernst & Young

March 2, 1994