UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

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

For The Three Months Ended January 30, 1998

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.)

1221 Avenue of the Americas, New York, New York	10020
- ---	---------
(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 report)

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 5, 1998 was 14,905,019.

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
FORM 10-Q
TABLE OF CONTENTS

<TABLE>
<CAPTION>
PART I - FINANCIAL INFORMATION
<S> <C>

</TABLE>

PART I - FINANCIAL INFORMATION
ITEM 1- FINANCIAL STATEMENTS
VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

<TABLE>
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	Three Months Ended	
	January 30, 1998	January 31, 1997
	(Dollars in thousands, except per share data)	
<S>	<C>	<C>
NET SALES:		
Sales of services	$ 343,580	$ 270,824
Sales of products	17,935	17,976
	361,515	288,800
COSTS AND EXPENSES:		
Cost of sales		
Services	325,233	253,616
Products	10,106	11,112
Selling and administrative	13,271	11,898
Research, development and engineering	2,967	2,947
Depreciation and amortization	5,029	5,058
	356,606	284,631
OPERATING PROFIT	4,909	4,169
OTHER INCOME (EXPENSE):		
Interest income	761	312
Other income - net	28	174
Foreign exchange (loss) gain - net	(453)	295
Interest expense	(1,374)	(1,495)
Income before income taxes and items shown below	3,871	3,455
Income tax provision	(1,541)	(1,538)
Equity in net income of joint ventures--Note F		2,652
Minority interests in net loss of consolidated subsidiaries	255	353
NET INCOME	$ 2,585	$ 4,922
	Per Share Data	
Basic:		
Net income per share	$ 0.17	$ 0.34
Weighted average number of shares--Note G	14,892,105	14,550,888
Diluted:		
Net income per share	$ 0.17	$ 0.33

Weighted average number of shares--Note G	15,379,647	15,017,835

</TABLE>
See accompanying notes.

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

<TABLE>
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ASSETS	January 30, 1998	October 31, 1997 (a)
	(Dollars in thousands)	
<S>	<C>	<C>
CURRENT ASSETS		
Cash and cash equivalents	$ 47,118	$ 54,234
Short-term investments	106	105
Trade accounts receivable less allowances of $5,311 (1998) and $5,067 (1997)	222,236	227,548
Inventories--Note C	36,115	35,953
Deferred income taxes	7,987	8,102
Prepaid expenses and other assets	10,576	9,832
TOTAL CURRENT ASSETS	324,138	335,774
Investment in securities	750	750
Property, plant and equipment less allowances for depreciation and amortization of $46,186 (1998) and $45,372 (1997)--Note D	63,297	62,495
Deferred income taxes and other assets	8,744	5,629
Intangible assets-net of accumulated amortization of $10,154 (1998) and $9,399 (1997)--Note H	15,059	14,074
	$ 411,988	$ 418,722
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable to banks	$ 5,435	$ 4,410
Current portion of long-term debt--Note D	1,399	1,949
Accounts payable	42,133	59,589
Accrued wages and commissions	34,206	34,065
Other accruals	36,284	35,180
Customer advances and other liabilities	27,402	20,518
Income taxes	9,679	10,608
TOTAL CURRENT LIABILITIES	156,538	166,319
Long-term debt--Note D	55,222	55,447
Minority interests	19,133	19,388
STOCKHOLDERS' EQUITY--Notes D, E and G		
Preferred stock, par value $1.00; Authorized--500,000 shares; issued--none		
Common stock, par value $.10; Authorized--30,000,000 shares; issued 14,902,319 shares (1998) and 14,883,143 shares (1997)	1,490	1,488
Paid-in capital	35,763	34,894
Retained earnings	143,940	141,355
Cumulative foreign currency translation adjustment	(98)	(169)
	181,095	177,568
	$ 411,988	$ 418,722

</TABLE>

(a) The Balance Sheet at October 31, 1997 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>
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	Three Months Ended	
	January 30, 1998	January 31, 1997
	(Dollars in thousands)	
<S>	<C>	<C>
CASH PROVIDED BY (APPLIED TO) OPERATING ACTIVITIES		
Net income	$ 2,585	$ 4,922
Adjustments to reconcile net income to cash provided by (applied to) operating activities		
Depreciation and amortization	5,029	5,058
Equity in net income of joint ventures		(2,652)
Minority interests	(255)	(353)
Accounts receivable provisions	645	843
Loss (gain) on foreign currency translation	3	(243)
Deferred income tax provision (benefit)	31	(473)
Other	22	26
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	4,472	(6,122)
(Increase) decrease in inventories	(162)	12
Decrease (increase) in prepaid expenses and other current assets	579	(21)
Increase in other assets	(2,926)	(20)
Decrease in accounts payable	(18,232)	(11,309)
Increase in accrued expenses	1,815	557
Increase in customer advances and other liabilities	5,563	5,203
(Decrease) increase in income taxes payable	(942)	837
NET CASH APPLIED TO OPERATING ACTIVITIES	(1,773)	(3,735)

</TABLE>

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

<TABLE>
<CAPTION>

	Three Months Ended	
	January 30, 1998	January 31, 1997
	(Dollars in thousands)	
<S>	<C>	<C>
CASH PROVIDED BY(APPLIED TO) INVESTING ACTIVITIES		
Maturities of investments	105	2,443
Purchases of investments	(106)	(5,366)
Investment in joint venture		(151)
Proceeds from disposals of property, plant and equipment	136	29
Purchases of property, plant and equipment	(5,279)	(3,909)
Proceeds from sale of joint venture		10,115
Other	(801)	

NET CASH (APPLIED TO) PROVIDED BY INVESTING ACTIVITIES	(5,945)	3,161
CASH PROVIDED BY (APPLIED TO) FINANCING ACTIVITIES		
Payment of long-term debt	(775)	(775)
Exercise of stock options	172	300
Increase (decrease) in notes payable to banks	1,141	(1,222)
NET CASH PROVIDED BY (APPLIED TO) FINANCING ACTIVITIES	538	(1,697)
Effect of exchange rate changes on cash	64	353
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,116)	(1,918)
Cash and cash equivalents, beginning of period	54,234	13,277
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 47,118	$ 11,359
SUPPLEMENTAL INFORMATION		
Cash paid during the period:		
Interest expense	$ 480	$ 543
Income taxes, net of refunds	$ 2,552	$ 988

</TABLE>

See accompanying notes.

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 Article 10 of Regulation S-X and, therefore, do not include all information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Company's consolidated financial position at January 30, 1998 and consolidated results of operations and consolidated cash flows for the periods ended January 30, 1998 and January 31, 1997. Operating results for the interim periods are not necessarily indicative of the results that may be expected for the fiscal year.

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 31, 1997. The accounting policies used in preparing these financial statements are the same as those described in that Report. The 1997 financial statements have been reclassified to conform with the current year's presentation. The Company's fiscal year ends on the Friday nearest October 31.

Note B--Financing Arrangements

On July 2, 1997, the Company entered into a $75.0 million, three-year, syndicated, unsecured, revolving Credit Agreement ("Agreement") with a group of banks for which The Chase Manhattan Bank and Fleet Bank, N.A. are serving as co-agents. Borrowings under the facility will bear interest at various interest rates. The Company has the option to select the most favorable rate at the time of borrowing. The Agreement provides for the maintenance of various financial ratios and covenants, including a requirement that the Company maintain consolidated net worth (as defined) of $110.0 million, plus 50% of consolidated net income for each completed fiscal year, (resulting in a requirement of $129.9 million at January 30, 1998) and certain limitations on the extent to which the Company and its subsidiaries may incur additional indebtedness, liens and sale of assets. There were no outstanding borrowings under the Agreement at January 30, 1998.

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

Note C--Inventories

Inventories consist of:

	January 30, 1998	October 31, 1997
	(Dollars in thousands)	
Services:		
Accumulated unbilled costs on:		
Service contracts	$25,753	$23,988
Long-term contracts	542	3,736
	26,295	27,724
Products:		
Materials and work-in-process	5,064	4,618
Service parts	2,346	2,318
Finished goods	2,410	1,293
	9,820	8,229
Total	$36,115	$35,953

The cumulative amounts billed, principally under long-term contracts, at January 30, 1998 and October 31, 1997, of $19.4 million and $17.3 million, respectively, are credited against the related costs in inventory. Substantially all of the amounts billed have been collected. Inventories have been reduced by accumulated amortization of rotable spare parts and other inventory of $12.3 million and $12.5 million at January 30, 1998 and October 31, 1997, respectively.

Note D--Long-Term Debt

Long-term debt consists of the following:

	January 30, 1998	October 31, 1997
	(Dollars in thousands)	
7.92% Senior Notes (a)	$50,000	$50,000
Term loan (b)	4,875	5,100
Notes payable (c) & (d)	1,746	2,296
	56,621	57,396
Less amounts due within one year	1,399	1,949
Total long-term debt	$55,222	$55,447

(a) On August 28, 1996, the Company issued $50.0 million of Senior Notes in a private placement with institutional investors. The notes, which have a term of eight years, bear interest at 7.92% per annum, payable semi-annually on February 28 and August 28, and provide for amortization of principal in five equal annual installments, beginning in August 2000. The notes were issued pursuant to Note Purchase Agreements, which contain various affirmative and negative covenants. One such covenant requires the Company to maintain a level of consolidated net worth which, under a formula, was $113.1 million at January 30, 1998. However, the terms of the Company's revolving Credit Agreement require the Company to maintain a consolidated net worth of $129.9 million at January 30, 1998 (see Note B).

(b) In October 1994, the Company entered into a $10.0 million loan agreement with Fleet Bank, which is secured by a deed of trust on land and buildings (book value at January 30, 1998 - $14.4 million). The loan, which bears interest at 7.86% per annum, requires principal payments of $225,000 per quarter and a final payment of $1.7 million in October 2001.

(c) The balance at October 31, 1997 included a note payable (with interest payable at 90 day commercial paper rates) for $550,000, which was due and paid on January 2, 1998.

(d) An unsecured loan of $2.5 million from The Chase Manhattan Bank was made to a foreign subsidiary on January 18, 1996 to finance the acquisition of a printing press. The five-year loan, guaranteed by the Company, is being repaid in semi-annual payments of $249,000, plus interest calculated at LIBOR (5.5% at January 30, 1998) plus 0.25%, through September 15, 2001.

Note E--Stockholders' Equity

Changes in the major components of stockholders' equity for the three months ended January 30, 1998 are as follows:

<TABLE>
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	Common Stock	Paid-In Capital	Retained Earnings
	(Dollars in thousands)		
<S>	<C>	<C>	<C>
Balance at October 31, 1997	$1,488	$34,894	$141,355
Net income for the three months			2,585
Contribution of 13,381 shares to ESOP	1	698	
Stock options exercised - 5,795 shares	1	171	
Balance at January 30, 1998	$1,490	$35,763	$143,940

</TABLE>

The other component of stockholders' equity is a cumulative unrealized foreign currency translation adjustment due to certain European subsidiaries of the Company, the functional currencies of which are the local currencies.

Note F--Summarized Financial Information of Joint Ventures

In the first quarter of 1997, the Company sold its 50% interest in Telelistas Editora Ltda. ("Telelistas"), a Brazilian joint venture, which is the official publisher of telephone directories in Rio de Janeiro for the government-owned telephone company and received $2.5 million in excess of its carrying value at the date of sale. The Company has continued to grant credit and guarantee the venture's obligations in respect to certain import financing, principally for the printing of telephone directories by the Company's Uruguayan division. Accordingly, the gain on the sale has been deferred until the Company's obligations, if any, are determined. The amounts due to the Company's Uruguayan division and the obligations to which the Company is a guarantor, which aggregated $6.2 million at January 30, 1998, are secured by the accounts receivable of Telelistas.

In the fourth quarter of 1997, the Company sold its 12-1/2% interest in Pacific Access Pty. Ltd., its Australian venture, resulting in a gain of $12.8 million. This venture was responsible throughout Australia for the marketing, sales and compilation functions of all yellow pages directories of Telstra, the Australian telephone company.

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

The following summarizes the operating results of the joint ventures:

<TABLE>
<CAPTION>

	Three Months Ended January 31, 1997 (Dollars in thousands)	
	Total	Company's Equity
<S>	<C>	<C>
Revenues	$ 104,477	
Costs and expenses	107,869	
Income tax benefit	(2,256)	
Net loss	$ (1,136)	
Net loss of Australian joint venture	$ (4,328)	$ (540)
Net income of Brazilian joint venture	3,192	3,192
	$ (1,136)	
Company's equity in net income of joint ventures		$ 2,652

</TABLE>

Note G--Per Share Data

In 1997, the Financial Accounting Standards Board issued Statement No. 128, "Earnings per Share". Under the new requirements for calculating basic earnings per share, the dilutive effect of stock options are excluded. Diluted earnings per share are computed on the basis of the weighted average number of shares of common stock outstanding and the assumed exercise of dilutive outstanding stock options based on the treasury stock method.

Prior year per share data have been restated to conform to the new requirements and adjusted for the effect of a three-for-two stock split distributed in the form of a 50% stock dividend on May 27, 1997.

Note H--Acquisitions

During the first quarter of fiscal year 1998, the Company acquired community-based telephone directories, principally in Georgia, for $1.7 million, which includes consideration of approximately $900,000, based on a percentage of estimated revenues to be collected through April 1999. Additional consideration up to an aggregate of $2.1 million is contingent on annual earnings in fiscal years 1998 through 2002. Such contingent consideration is not included in the acquisition cost total above, but will be recorded when, and if, the future earnings requirements have been met. During fiscal 1997, the Company acquired community-based telephone directories in North Carolina and West Virginia for a total of $1.4 million in cash. The two acquisitions resulted in a $3.1 million increase in intangible assets, which are being amortized over a period of fifteen years.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THREE MONTHS ENDED JANUARY 30, 1998 COMPARED TO THE THREE MONTHS ENDED JANUARY 31, 1997

The information which appears below relates to current and 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 and no inferences as to future operations should be drawn.

The following summarizes the Company's unaudited results of operations by segment:

<TABLE>
<CAPTION>

<S>	For the Three Months Ended January 30, 1998 <C>	January 31, 1997 <C>
	(Dollars in thousands)	
Net Sales:		
Staffing Services	$ 269,614	$ 210,592
Telephone Directory	16,114	14,894
Telecommunications Services	42,437	28,068
Computer Systems	17,754	19,040
Electronic Publication and Typesetting Systems	18,042	18,094
Elimination of intersegment sales	(2,446)	(1,888)
Total Net Sales	$ 361,515	$ 288,800
Segment Profit (Loss):		
Staffing Services	$ 4,817	$ 4,150
Telephone Directory	(895)	(681)
Telecommunications Services	3,794	3,364
Computer Systems	43	898
Electronic Publication and Typesetting Systems	(31)	(1,026)
Elimination		(12)
Total Segment Profit	7,728	6,693
General corporate expenses	(2,819)	(2,524)
Total Operating Profit	4,909	4,169
Interest and other income - net	789	486
Interest expense	(1,374)	(1,495)
Foreign exchange (loss) gain - net	(453)	295
Income Before Income Taxes, Equity in Joint Venture Earnings and Minority Interests	$ 3,871	$ 3,455

</TABLE>

Forward-Looking Statements Disclosure

In order to keep our stockholders and investors informed of the Company's future plans and objectives, this Quarterly Report on Form 10-Q and other reports and statements issued by the Company and its officers from time-to-time contain, among other things, certain statements concerning the Company's future plans, objectives, performance, intentions and expectations that are or may be deemed to be "forward-looking statements". The Company's ability to do this has been fostered by the Private Securities Litigation Reform Act of 1995, which provides a "safe harbor" for forward-looking statements to encourage companies to provide prospective information so long as those statements are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those discussed in the statement. The

Company believes that it is in the best interests of its stockholders to take advantage of the "safe harbor" provisions of that Act.

Although the Company believes that its expectations are based on reasonable assumptions, these forward-looking statements are subject to a number of known and unknown risks and uncertainties that could cause the Company's actual results, performance and achievements to differ materially from those described or implied in the forward-looking statements. These risks and uncertainties include, but are not limited to, general economic, competitive and other business conditions; the degree and timing of obtaining new contracts and the rate of renewals of existing contracts, as well as customers' degree of utilization of the Company's services; material changes in demand from larger customers, including those with which the Company has national contracts; changes in customer attitudes toward outsourcing; the Company's ability to recruit qualified employees to satisfy customer requirements for the Company's staffing services; the Company's ability to meet competition in its highly competitive markets with minimal impact on margins; intense price competition and pressure on margins; the Company's ability to maintain superior technological capability; the Company's ability to foresee changes and to identify, develop and commercialize innovative and competitive products and systems in a timely and cost effective manner and achieve customer acceptance of such products and systems in markets characterized by rapidly changing technology and frequent new product introductions; risks inherent in new product introductions, such as start-up delays, uncertainty of customer acceptance and dependence on third parties for some product components; changes in laws, regulations and government policies; the Company's performance on contracts; timing of customer acceptances of systems; and the Company's ability to attract and retain certain classifications of technologically qualified personnel, particularly in the areas of research and development and customer service. These and certain other factors are discussed in the Company's Annual Report on Form 10-K for the year ended October 31, 1997 and may be discussed in reports hereafter filed with the Securities and Exchange Commission, including this Report.

THREE MONTHS ENDED JANUARY 30, 1998 COMPARED
TO THE THREE MONTHS ENDED JANUARY 31, 1997 --Continued

Results of Operations - Summary

In the three-month period of fiscal 1998, net sales increased by $72.7 million, or 25% to $361.5 million. The increase in 1998 net sales resulted primarily from a $59.0 million increase in sales by the Staffing Services segment, a $14.4 million increase in sales by the Telecommunications Services segment and a $1.2 million increase in sales by the Telephone Directory segment, partially offset by a $1.3 million decrease in sales by the Computer Systems segment.

The Company's 1998 pretax income before joint venture earnings and minority interests increased by $416,000, or 12%, to $3.9 million. The operating profit of the Company's segments increased by $1.0 million, or 15%, to $7.7 million in 1998. The principal reasons for the increase in the segments' operating profit were an improvement of $995,000 from the Electronic Publication and Typesetting Systems segment, narrowing its loss to $31,000, compared with a loss of $1.0 million in 1997, the Staffing Services segment, with an increase of $667,000, or 16%, to $4.8 million and the Telecommunications Services segment, with an increase of $430,000, or 13%, to $3.8 million. The improvement in the these segments' operating profits was partially offset by a decrease in the Computer Systems segment of $855,000, which produced a profit of $43,000, compared with a profit of $898,000 in 1997, and a decrease in the Telephone Directory segment of $214,000, or 31%, resulting in a loss of $895,000, compared with a loss of $681,000 in 1997.

Net income in the three months of 1998 was $2.6 million, compared with net income of $4.9 million in the three months of 1997. The 1997 net income included the Company's portion of joint venture earnings of $2.7 million.

Results of Operations - By Segment

Sales of the Staffing Services segment (formerly referred to as the Technical Services and Temporary Personnel segment) increased by $59.0 million, or 28%, in

1998 to $269.6 million, and its operating profit increased by $667,000, or 16%, to $4.8 million, compared with $4.2 million in 1997. Approximately $10.9 million, or 18%, of the segment's 1998 sales increase was due to pass-through costs primarily related to the use of subcontractors to service large national contracts, a substantial portion of which is billed without a mark-up, which increased from $26.0 million to $36.9 million in 1998. Approximately $11.0 million of the increase was from business with new customers with the remaining increase of $37.1 million arising from existing customers. The increase in the segment's operating profit was due to the increase in sales volume, partially offset by a decrease in gross margin of approximately 0.2 percentage points and higher overhead costs. The decrease in gross margin percentage was due to higher subcontractor usage, a substantial portion of which is billed without a mark-up, and lower margins on the increasing business with large, national, managed service accounts. Overhead costs have increased due to the opening of new offices to service national accounts, but remained constant as a percentage of sales.

The Telephone Directory segment's sales increased by $1.2 million, or 8%, to $16.1 million in fiscal 1998. Its operating loss increased to $895,000 in 1998 from a loss of $681,000 in 1997. The sales increase was primarily due to a $1.9 million increase in independent directory sales, partially offset by decreases in telephone directory production volume, systems sales and systems maintenance revenue. The increase in independent directory sales was due to a large directory published in the first quarter of fiscal 1998 (the 1997 edition was published in the

second quarter of fiscal 1997) and four new directories published in the first quarter of 1998. The increase in the operating loss in 1998 was due to increased overhead, which included approximately $425,000 of costs to enter new directory markets, offset by the increased sales volume. Some of the segment's services are rendered under various short and long-term contracts, some of which expired in 1997, while others were renewed and new contracts were awarded to the segment. A contract with one customer, which accounted for approximately 22% of the segment's revenues in the three months ended January 30, 1998, is scheduled to expire in June 1998. However, the segment has obtained several significant contracts which began in fiscal 1997. Other contracts are scheduled to expire from 1998 through 2002.

The Telecommunications Services segment's sales increased by $14.4 million, or 51%, to $42.4 million in fiscal 1998 and its operating profit increased by $430,000, or 13%, to $3.8 million in fiscal 1998 compared with $3.4 million in 1997. The sales increase was due to a 147% increase in the Business Systems division and a 21% increase in the Construction division. The sales increases resulted from several factors, including required upgrading of core telecommunications infrastructure by existing customers, the demand for the segment's services in the wireless area, and the continued emphasis of outsourcing by the major telecommunications providers. Operating results increased due to the increased sales volume, partially offset by a 2.9 percentage point decrease in gross margins, due to a greater proportion of lower margin Business Systems sales. Overhead increased by 54% to support the sales growth and the geographic expansion of this segment.

The Computer Systems segment's sales decreased by $1.3 million, or 7%, to $17.8 million in 1998 and its operating profit was $43,000 compared with $898,000 in 1997. The decrease in sales was primarily due to a decrease in sales of conservation services to utilities due to the phase-out under several large contracts with customers which no longer require the segment's services. The decrease in profit was due to lower sales volume of conservation services and the absence in 1998 of high margin equipment sales. Under the completed contract method of accounting used by this segment, revenues together with related costs are recognized in income upon acceptance by the customer. This segment's results on a quarter-to-quarter basis are highly dependent on the acceptance by customers under contract for the segment's directory assistance systems, which occurs periodically rather than evenly.

The Electronic Publication and Typesetting Systems segment's sales decreased by $52,000, to $18.0 million in 1998. However, its operating loss was $31,000, compared with an operating loss of $1.0 million in 1997. The fiscal 1998 sales decrease resulted primarily from a decrease in customer service revenues offset, in large part, by an increase in sales of systems and equipment. Operating results increased due to a 5.7 percentage point increase in gross margins. Systems and equipment gross margins increased by 10.9 percentage points due principally to the sale of a greater proportion of higher margin products and lower manufacturing costs, and customer service gross margins decreased by 6.4 percentage points due primarily to lower revenues without a corresponding decrease in associated costs. The markets in which the segment competes are marked by rapidly changing technology, with sales in fiscal 1998 of equipment introduced within the last three years comprising approximately 83% of equipment sales.

THREE MONTHS ENDED JANUARY 30, 1998 COMPARED TO THE THREE MONTHS ENDED JANUARY 31, 1997 --Continued

Results of Operations - Other

Other items, discussed on a consolidated basis, affecting the results of operations for the three-month periods were:

Interest income increased by $449,000, or 144%, in 1998 to $761,000, primarily due to an increase of funds available for investment.

Other income was reduced by $146,000 in 1998 primarily due to a decrease in sundry income, partially offset by $227,000 of fees paid in 1997, compared to no fees in 1998, resulting from the elimination of sales of receivables under the Company's securitization program.

In the first quarter of 1998, a significant strengthening of the U.S. dollar compared to other currencies resulted in a foreign exchange loss of $453,000 before the Company's hedging program became effective which mitigated any further losses. The foreign exchange gain in the first quarter of 1997 of $295,000 was due to favorable currency movements.

Interest expense decreased by $121,000, or 8%, to $1.4 million in 1998. The decrease was primarily due to lower interest rates.

The Company's effective tax rate was reduced to 40% in 1998 from 45% in 1997. The high rate in 1997 resulted from losses incurred by the Company's 59% owned subsidiary for which no tax benefit was recognized.

The Company's share of the net income of its two joint ventures was $2.7 million in 1997. Both ventures were sold in fiscal 1997; the Brazilian venture in January 1997 and the Australian venture in September 1997. The Company has continued to grant credit and guarantee the Brazilian venture's obligations. As a result, the gain on the sale of approximately $2.5 million will be deferred until the Company's obligations, if any, are determined. However, the Company's portion of profits earned by the venture of $3.2 million, due to the publication of the yellow pages directories in Rio de Janeiro, through the date of sale were included in Equity in net income of joint ventures in 1997.

Liquidity and Sources of Capital

Cash and cash equivalents decreased by $7.1 million in 1998 to $47.1 million. Operating activities used $1.8 million of cash flows in the three months of fiscal 1998. The principal use of cash in operating activities for the three months ended January 30, 1998 was $18.2 million to reduce the level of accounts payable. Primary among the factors providing cash flows to operating activities in 1998 were the Company's net income of $2.6 million, augmented by $5.0 million of depreciation and amortization, an increase of $5.6 million in customer advances and other liabilities, and a decrease in the level of accounts receivable of $4.5 million.

The principal factor in the cash applied to investing activities of $5.9 million was the expenditure for property, plant and equipment of $5.3 million.

Financing activities provided $538,000 of cash from the increase in notes payable to banks of $1.1 million offset, in part, by $775,000 payments of long-term debt.

In addition to its cash and cash equivalents, at January 30, 1998, the Company has a $75.0 million, three-year, syndicated, unsecured credit line with a group of banks under a revolving Credit Agreement which extends to July 2, 2000 (see Note B in the Notes to Condensed Consolidated Financial Statements). The Company had no outstanding bank borrowings under that line.

The Company believes that its current financial position, working capital, future cash flows and credit lines will be sufficient to fund its presently contemplated operations and satisfy its debt obligations. The Company has no material capital commitments, except for approximately $6.0 million to upgrade its Uruguayan printing equipment in fiscal 1998. The Company may determine, from time-to-time in the future, to buy shares of its common stock.

Year 2000 Compliance

The Company utilizes software and related technologies throughout its businesses that will be affected by the issues associated with the programming code in existing systems as the millennium (Year 2000) approaches. To ensure that the Company's internal systems and products offered for sale will continue to meet its internal needs and those of its customers, Volt's Enterprise-Wide Year 2000 Compliance Assurance Program is well under way.

The Program involves Volt employees and consultants identifying, correcting or reprogramming, and testing all programs and systems for Year 2000 compliance. In addition, the Company has addressed the issue with suppliers of systems on which certain of the Company's systems rely, and has requested verification that they will be timely compliant. Conversion and testing of systems applications is expected to cost approximately $4.0 million, of which approximately $300,000 was incurred and expensed in the three months ended January 30, 1998. The Company expects to complete the necessary modifications in 1998 and will conduct extensive testing throughout 1999.

PART II - OTHER INFORMATION

ITEM 6-- EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

3.01 By-Laws of the Company, as amended.

27.01 Financial Data Schedule

(b) Reports on Form 8-K:

The only Report on Form 8-K filed during the quarter ended January 30, 1998 was a report dated December 16, 1997 (date of earliest event reported) reporting Item 5: Other Events and Item 7: Financial Statement, Pro Forma Financial Information and Exhibits. No financial statements or pro forma financial information were filed with that Report.

SIGNATURE

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

Date: March 12, 1998 JACK EGAN
Vice President - Corporate Accounting
(Principal Accounting Officer)

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
3.01	By-Laws of the Company, as amended.
27.01	Financial Data Schedule (filed with electronic version only).

BY-LAWS
OF
VOLT INFORMATION SCIENCES, INC.

1. MEETINGS OF SHAREHOLDERS

1.1 ANNUAL MEETING: The annual meeting of shareholders shall be held on the third Thursday of March in each year, or as soon thereafter as practicable, and shall be held at a place and time determined by the Board of Directors (the "Board").

1.2 SPECIAL MEETINGS: Special meetings of the shareholders may be called by resolution of the Board or by the President, and shall be called by the President or the Secretary upon the written request (stating the purpose or purposes of the meeting) of a majority of the directors then in office. Only business related to the purposes set forth in the notice of the meeting may be transacted at a special meeting.

1.3 PLACE OF MEETINGS: Meetings of the shareholders may be held in or outside New York State.

1.4 NOTICE OF MEETINGS; WAIVER OF NOTICE: Written notice of each meeting of shareholders shall be given to each shareholder entitled to vote at the meeting, except that (a) it shall not be necessary to give notice to any shareholder who submits a signed waiver of notice before or after the meeting, and (b) no notice of an adjourned meeting need be given except when required by law. Each notice of meeting shall be given, personally or by mail, not less than 10 nor more than 60 days before the meeting and shall state the time and place of the meeting, and unless it is the annual meeting shall state at whose direction the meeting is called and the purposes for which it is called. If mailed, notice shall be considered given when mailed to a shareholder at his address on the Corporation's records. The attendance of any shareholder at a meeting, without protesting before the end of the meeting the lack of notice of the meeting, shall constitute a waiver of notice by him.

1.5 QUORUM: The presence in person or by proxy of the holders of 35% of the shares entitled to vote shall constitute a quorum for the transaction of any business. In the absence of a quorum, a majority in voting interest of those present or, in the absence of all the shareholders, any officer entitled to preside at or to act as secretary of the meeting, may adjourn the meeting until a quorum is present. At any adjourned meeting at which a quorum is present, any action may be taken which might have been taken at the meeting as originally called.

1.6 VOTING PROXIES: Each shareholder of record may attend meetings and vote either in person or by proxy. Corporate action to be taken by shareholder vote, other than the election of directors, shall be authorized by a majority of the votes cast at a meeting of shareholders, except as otherwise provided by law. Directors shall be elected in the manner provided in Section 2.1 of these By-Laws. Voting need not be by ballot unless requested by a shareholder at the meeting or ordered by the chairman of the meeting. Every proxy must be signed by the shareholder or his attorney-in-fact. No proxy shall be valid after eleven months from its date unless it provides otherwise.

Exhibit 3.01

1.7 INSPECTORS OF ELECTION: The Board shall have the power to appoint two persons (who need not be shareholders) to act as inspectors of election at each meeting of shareholders. If there are not two inspectors present, ready and willing to act, the chairman presiding at any meeting may appoint a temporary inspector or inspectors to act at such meeting. No candidate for the office of director shall act as an inspector of any election for directors.

1.8 ACTION BY SHAREHOLDERS WITHOUT A MEETING: Any shareholder action may be taken without a meeting in written consent to the action is signed by all shareholders entitled to vote on the action.

1.9 ADVANCE NOTIFICATION OF PROPOSED BUSINESS: To be properly brought before an annual meeting of shareholders, business must be either (1) specified in the notice of annual meeting (or any supplement thereto) given by or at the direction of the Board, (2) otherwise properly brought before the annual meeting by or at the direction of the Board, or (3) otherwise properly brought before the annual meeting by a shareholder. In addition to any other applicable requirements, for business to be properly brought before an annual meeting of shareholders by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, such shareholder's notice of proposed business to be brought before the meeting by a shareholder must be delivered to or mailed and received by the Secretary at the principal executive offices of the Corporation not less than one hundred twenty (120) days nor more than one hundred fifty (150) days prior to the one year anniversary of the date of the notice of the annual meeting of shareholders that was held in the immediately preceding year; provided, however, that in the event that the month and day of the annual meeting of shareholders to be held in the current year is changed by more than thirty (30) calendar days from the one year anniversary of the date the annual meeting of shareholders was held in the immediately preceding year, and less than one hundred thirty (130) days' informal notice to shareholders or other prior public disclosure of the date of the annual meeting in the current year is given or made, notice of such proposed business to be brought before the meeting by the shareholder to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which formal or informal notice of the date of the annual meeting of shareholders was mailed or such other public disclosure was made, whichever first occurs. A shareholder's notice to the Secretary shall set forth as to each matter the shareholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the name and record address of the shareholder proposing such business, (c) the class, series and number of shares of the Corporation's stock which are beneficially owned by the shareholder and (d) a description of all arrangements or understandings between the shareholder and any other person or persons (naming such person or persons) in connection with the proposing of such business by the shareholder, and any material interest of the shareholder in such business. Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at the annual meeting of shareholders except in accordance with the procedures set forth in this Section of the By-Laws; provided, however, that nothing in this Section of the By-Laws shall be deemed to preclude discussion by any shareholder of any business brought before the annual meeting of shareholders. The Chairman of an annual meeting shall, if the facts warrant, determine and declare to the annual meeting that business was not properly brought before the annual meeting of shareholders in accordance with the provisions of this Section of the By-Laws, and any such business not properly brought before the annual meeting shall not be transacted.

1.10 ADVANCED NOTIFICATION OF PROPOSED NOMINATIONS: Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors at any annual meeting of shareholders. Nominations of persons for election to the Board of the Corporation at the annual meeting of shareholders may be made by or at the direction of the Board, by any committee or persons

appointed by the Board or by any shareholder of the Corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Section of the By-Laws. Such nominations, other than those made by or at the direction of the Board, shall be made pursuant to timely notice in writing to the Secretary of the Corporation. To be timely, such shareholder's notice of nominations of persons to serve as directors must be delivered to or mailed and received by the Secretary at the principal executive offices of the Corporation not less than one hundred twenty (120) days nor more than one hundred fifty (150) days prior to the one year anniversary of the date of the notice of the annual meeting of shareholders that was held in the immediately preceding year; provided, however, that in the event that the month and day of the annual meeting of shareholders to be held in the current year is changed by more than thirty (30) calendar days from the one year anniversary of the date the annual meeting of shareholders was held in the immediately preceding year, and less than one hundred thirty (130) days' informal notice to shareholders or other prior public disclosure of the date of the annual meeting in the current year is given or made to shareholders, notice of such nominations by the shareholder to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which formal or informal notice of the date of the meeting was mailed or such other public disclosure was made, whichever first occurs. Such shareholder's notice to the Secretary shall set forth (1) as to each person whom the shareholder proposes to nominate for election or reelection as a Director, (a) the name, age, business address and residence address of the person, (b) the principal occupation or employment of the person, (c) the class, series and number of shares of capital stock of the

Corporation which are beneficially owned by the person, and (d) any other information relating to the person that is required to be disclosed in solicitations of proxies for election of directors pursuant to the Rules and Regulations of the Securities and Exchange Commission under Section 14 of the Securities Exchange Act of 1934, as amended (including such person's written consent to being named in the proxy statement as a nominee and to serving as director if elected); and (2) as to the shareholder giving the notice (a) the name and record address of the shareholder and (b) the class, series and number of shares of capital stock of the Corporation which are beneficially owned by the shareholder. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth herein. The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and the defective nomination shall be disregarded.

2. BOARD OF DIRECTORS

2.1 NUMBER, QUALIFICATION, ELECTION AND TERM OF DIRECTORS: The business of the Corporation shall be managed by the Board, which shall consist of such number of directors, not less than three nor more than nine, to be fixed from time by the shareholders or a majority of the entire Board. The directors shall be classified with respect to the time during which they shall severally hold office by dividing them into two classes, as nearly equal in number as possible, but in no event shall any class include less than three directors. At the meeting of the shareholders of the Corporation held for the election of the first such classified Board, the directors of the first class shall be elected for a term of one year and the directors of the second class for a term of two years. At each annual meeting of shareholders held thereafter, the successors to the class whose term shall expire that year shall be elected to hold office for a term of two years, so that the term of office of one class of directors shall expire each year. Any newly created directorship or decrease in directorship as authorized by resolution of the Board of Director shall be so apportioned as to make both classes as nearly equal in number as possible. When the number of directors is increased by the Board and any newly created directorship is filled by the Board, there shall be no

classification of the additional directors until the next annual meeting of shareholders. No decrease in the number of directors shall shorten the term of any incumbent director. Each director shall be at least 21 years old. Directors shall hold office until the annual meeting at which their term expires and until the election of their respective successors.

2.2 QUORUM AND MANNER OF ACTING: A majority of the entire Board shall constitute a quorum for the transaction of business at any meeting, except as provided in Section 2.8 of these By-Laws. Action of the Board shall be authorized by the vote of a majority of the directors present at the time of the vote if there is a quorum, unless otherwise provided by law or these By-Laws. In the absence of a quorum, a majority of the directors present may adjourn any meeting from time to time until a quorum is present.

2.3 PLACE OF MEETINGS: Meetings of the Board may be held in or outside New York State.

2.4 ANNUAL AND REGULAR MEETINGS: Annual meetings of the Board, for the election of officers and consideration of other matters, shall be held either (a) without notice immediately after the annual meeting of shareholders and at the same place, or (b) as soon as practicable after the annual meeting of shareholders, on notice as provided in Section 2.6 of these By-Laws. Regular meetings of the Board may be held without notice at such times and places as the Board determines. If the day fixed for a regular meeting is a legal holiday, the meeting shall be held on the next business day.

2.5 SPECIAL MEETINGS: Special meetings of the Board may be called by the President or by a majority of the directors then in office. Only business related to the purposes set forth in the notice of meeting may be transacted at a special meeting.

2.6 NOTICE OF MEETINGS; WAIVER OF NOTICE: Notice of the time and place of each special meeting of the Board, and of each annual meeting not held immediately after the annual meeting of shareholders and at the same place, shall be given to each director by mailing it to him at his residence or usual place of business at least three days before the meeting, or by delivering or telephoning or telegraphing it to him at least two days before the meeting. Each notice of a special meeting shall also state the purpose or purposes for which the meeting is called, Notice need not be given to any director who submits a signed waiver of notice before or after the meeting, or who attend the meeting without protesting the lack of notice to him, either before the meeting or when it begins. Notice of any adjourned meeting need not be given, other than by announcement at the meeting at which the adjournment is taken.

2.7 RESIGNATION AND REMOVAL OF DIRECTORS: Any director may resign at any time. Directors may be removed only as provided in the Certificate of Incorporation. Any or all of the directors may be removed at any time, either with or without cause, by vote of the shareholders and any of the directors may be removed for cause by the Board.

2.8 VACANCIES: Any vacancy in the Board, including one created by an increase in the number of directors, may be filled for the unexpired term by a majority vote of the remaining directors, though less than a quorum.

2.9 COMPENSATION: Directors shall receive such compensation as the Board determines, together with reimbursement of their reasonable expenses in connection with the performance of their duties. A director may also be paid for serving the Corporation, its affiliates or subsidiaries in other capacities.

3. COMMITTEES

3.1 EXECUTIVE COMMITTEE: The Board, by resolution adopted by a majority of the entire Board, may designate an Executive Committee of two or more directors which shall have all the authority of the Board, except as otherwise provided in the resolution or by law, and which shall serve at the pleasure of the Board. All action of the Executive Committee shall be reported to the Board at its next meeting. The Executive Committee shall adopt rules of procedure and shall meet as provided by those rules or by resolution of the Board.

3.2 OTHER COMMITTEES: The Board, by resolution adopted by a majority of the entire Board, may designate other committees of the Board, consisting of two or more directors, to serve at the pleasure of the Board, with such powers and duties as the Board determines.

4. OFFICERS

4.1 NUMBER: The executive officers of the Corporation shall be the Chairman of the Board of Directors, the President, one or more Vice Presidents, a Secretary and a Treasurer. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2 ELECTION; TERM OF OFFICE: The executive officers of the Corporation shall be elected annually by the Board, and each such officer shall hold office until the next annual meeting of the Board and until the election of his successor.

4.3 SUBORDINATE OFFICERS: The Board may appoint subordinate officers (including Assistant Secretaries and Assistant Treasurers), agents or employees, each of whom shall hold office for such period and have such powers and duties as the Board determines. The Board may delegate to any executive officer or to any committee the power to appoint and define the powers and duties of any subordinate officers, agents or employees.

4.4 RESIGNATION AND REMOVAL OF OFFICERS: Any officer may resign at any time. Any officer elected or appointed by the Board or appointed by an executive officer or by a committee may be removed by the Board either with or without cause.

4.5 VACANCIES: A vacancy in any office may be filled for the unexpired term in the manner prescribed in Sections 4.2 and 4.3 of these By-Laws for election or appointment to the office.

4.6 CHAIRMAN OF THE BOARD OF DIRECTORS: The Chairman of the Board of Directors shall, when present, preside at all meetings of the Board and at all meetings of shareholders. He shall have the same power as the President to execute contracts and other instruments on behalf of the Corporation except as otherwise provided by law or by the Board, and he shall have such other powers and duties as the

Board assigns to him. During the absence or disability of the President, he shall exercise all powers and discharge all the duties of the president.

4.7 PRESIDENT: The President shall be the chief executive officer of the Corporation, and he shall have general supervision over the business and affairs of the Corporation. He shall, in the absence of the Chairman of the Board of Directors, preside at all meetings of the Board and meetings of shareholders. He shall have the power to execute contracts and other instruments of the Corporation, and such other powers and duties as the Board assigns to him.

4.8 VICE PRESIDENTS: Each Vice President shall have such powers and duties as the Board or the President assigns to him.

4.9 SECRETARY: The Secretary shall record the minutes of all meetings of the Board and of the shareholders, shall be responsible for giving notice of all meetings of shareholders and of the Board, shall keep the seal of the Corporation and, in proper cases, shall apply it to any instrument requiring it and attest it. He shall have such other duties as the Board or the President assigns to him. In the absence of the Secretary from any meeting, the minutes shall be recorded by the person appointed for that purpose by the presiding officer.

4.10 TREASURER: The Treasurer shall be the chief financial and accounting officer of the Corporation. Subject to the control of the Board and the President, the Treasurer shall have charge of the Corporation's funds and securities and the Corporation's receipts and disbursements. He shall have such other powers and duties as the Board or the President assigns to him.

4.11 SALARIES: The Board may fix the officers' salaries or it may authorize the President to fix the salary of any other officer.

5. SHARES

5.1 CERTIFICATES: The shares of the Corporation shall be represented by certificates in the form approved by the Board.

5.2 TRANSFERS: Shares shall be transferable only on the Corporation's books, upon surrender of the certificate for the shares, properly endorsed. The Board may require satisfactory surety before issuing a new certificate claimed to have been lost or destroyed.

5.3 DETERMINATION OF SHAREHOLDERS OF RECORD: The Board may fix, in advance, a date as the record date for the determination of shareholders entitled to notice of or to vote at any meeting of the shareholders, or to express consent to or dissent from any proposal without a meeting, or to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action. The record date may not be more than 60 nor less than 10 days before the date of the meeting, nor more than 60 days before any other action.

6. INDEMNIFICATION

6.1 GENERAL: Any person made, or threatened to be made, a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, and including an action by or in the right of the Corporation or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise to procure a judgment in its respective favor (any such action, suit or proceeding is hereinafter referred to as an "Action"), by reason of the fact that such person or such person's testator or intestate (a) is or was a director or officer of the Corporation, or (b) is or was serving any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity at the request of the Corporation, shall be indemnified by the Corporation against judgments, fines, amounts paid in settlement and reasonable expenses (including attorney's fees) incurred in connection with the defense or as a result of an Action or in connection with any appeal therein; provided that no indemnification shall be made to or on behalf of any director or officer if a

judgment or other final adjudication adverse to such director or officer establishes that (i) his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and, in either case, were material to the cause of action so adjudicated, or (ii) he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled. The Corporation may indemnify and advance expenses to any other person to whom the Corporation is permitted to provide indemnification or the advancement of expenses to the fullest extent permitted by applicable law, whether pursuant to rights granted pursuant to, or provided by, the New York Business Corporation Law or other law, or other rights created by an agreement approved by the Board, or resolution of shareholders or the Board, and the adoption of any such resolution or the entering into of any such agreement approved by the Board is hereby authorized.

6.2 EXPENSE ADVANCES: The Corporation shall, from time to time, advance to any director or officer of the Corporation expenses (including attorney's fees) incurred in defending any Action in advance of the final disposition of such Action; provided that no such advancement shall be made until receipt of any undertaking by or on behalf of such director or officer to repay such amount as, and to the extent, required by law.

6.3 PROCEDURE FOR INDEMNIFICATION: Indemnification and advancement of expenses under this Section 6 shall be made promptly and, in any event, no later than 45 days following the request of the person entitled to such indemnification or advancement of expenses hereunder. The Board shall promptly (but, in any event, within such 45-day period) take all such actions (including, without limitation, any authorizations and findings required by law) as may be necessary to indemnify, and advance expenses to, each person entitled thereto pursuant to this Section 6. If the Board is or may be disqualified by law from granting any authorization, making any finding or taking any other action necessary or appropriate for such indemnification or advancement, then the Board shall use its best efforts to cause appropriate person(s) to promptly so authorize, find or act.

6.4 INSURANCE: The Corporation shall be permitted to purchase and maintain insurance for its own indemnification and that of its directors and officers and any other proper person to the maximum extent permitted by law.

6.5 NON-EXCLUSIVITY: Nothing contained in this Section 6 shall limit the right of indemnification and advancement of expense to which any person would be entitled by law in the absence of this Section 6, or shall be deemed exclusive of any rights to which those seeking indemnification or advancement of expenses may have or hereafter be entitled under any law, provision of the Certificate of Incorporation, By-Law, agreement approved by the Board, or resolution of shareholders or directors, and the adoption of any such resolution or entering into of any such agreement approved by the Board is hereby authorized.

6.6 CONTINUITY OF RIGHTS: The indemnification and advancement of expenses provided by, or granted pursuant to, this Section 6 shall (i) continue as to a person who has ceased to serve in a capacity which would entitle such person to indemnification or advancement of expenses pursuant to this section 6 with respect to acts or omissions occurring prior to such cessation, (ii) inure to the benefit of the heirs, executors and administrators of a person entitled to the benefits of this Section 6 (iii) apply with respect to acts or omissions occurring prior to the adoption of this Section 6 to the fullest extent permitted by law and (iv) survive the full or partial repeal or restrictive amendment hereof with respect to events occurring prior thereto. This Section 6 shall constitute a contract between the Corporation and each person eligible for indemnification or advancement of expenses hereunder, pursuant to which contract the Corporation and each person intend to be legally bound.

6.7 ENFORCEMENT: The right to indemnification and advancement of expenses provide by this Section 6 shall be enforceable by any person entitled to indemnification or advancement of expenses hereunder in any court of competent jurisdiction. In such an enforcement action the burden shall be on the Corporation to prove that the indemnification and advancement of expenses being sought are not appropriate. Neither the failure of the Corporation to determine whether indemnification or the advancement of expenses is proper in the circumstances nor an actual determination by the Corporation thereon adverse to the person seeking such indemnification or advancement shall constitute a defense to the action or create a presumption that such person is not so entitled. Without limiting the scope of Section 6.1 (a) a person who has been successful on the merits or otherwise in the defense of an Action shall be entitled to indemnification as authorized in Section 6.1 and (b) the termination of any Action by judgment, settlement, conviction or plea of nolo contendere or its equivalent shall not in itself create a presumption that such person has not met the standard of conduct set forth in Section 6.1. Such person's reasonable expenses incurred in connection with successfully establishing such person's right to indemnification or advancement of expenses, in whole or in part, in any such proceeding shall also be indemnified by the Company.

6.8 SEVERABILITY: In this section 6 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation nevertheless shall indemnify and advance expense to each person otherwise entitled thereto to the fullest extent permitted by any applicable portion of this Section 6 that shall not have been invalidated.

7. MISCELLANEOUS

7.1 SEAL: The seal of the Corporation shall be in the form of a circle and shall bear the Corporation's name and the year (1957) and state (New York) in which it was incorporated.

7.2 FISCAL YEAR: The Board may determine the Corporation's fiscal year. Until changed by the Board, the Corporation's fiscal year shall end on the Friday closest to October 31 of each year.

7.3 VOTING OF SHARES IN OTHER CORPORATIONS: Shares in other corporations which are held by the Corporation may be represented and voted by the President or a Vice President or by a proxy or proxies appointed by one of them. The Board may, however, appoint some other person to vote any such shares.

7.4 AMENDMENTS: Any By-Law may be amended, repealed or adopted by the shareholders or by a majority of the entire Board, but any By-Law adopted by the Board may be amended or repealed by the shareholders. If a By-Law regulating elections of directors is amended, repealed or adopted by the Board, the notice of the next meeting of shareholders shall set forth the By-Law so amended, repealed or adopted together with a concise statement of the changes made.

AT A MEETING OF THE BOARD OF DIRECTORS HELD ON OCTOBER 28, 1975, THE FOLLOWING SECTION WAS ADDED TO THE COMPANY'S BY-LAWS:

"Any one or more members of the Board of Directors or any committee thereof may participate in a meeting of such Board or Committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting."

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