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 29, 1999

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, 1999 was 15,025,356.

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES

FORM 10-Q

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

<TABLE>
<CAPTION>

	Three Months Ended	
	January 29, 1999	January 30, 1998
	(Dollars in thousands, except per share data)	
NET SALES:		
Sales of services	$ 471,178	$ 343,580
Sales of products	18,744	17,935
	489,922	361,515
COSTS AND EXPENSES:		
Cost of sales		
Services	451,759	325,233
Products	11,253	10,106
Selling and administrative	15,432	13,271
Research, development and engineering	2,392	2,967
Depreciation and amortization	5,707	5,029
	486,543	356,606
OPERATING PROFIT	3,379	4,909
OTHER INCOME (EXPENSE):		
Interest income	560	761
Other (expense) income - net	(78)	28
Gain on sale of joint venture--Note E	1,272	
Foreign exchange loss - net	(129)	(453)
Interest expense	(2,026)	(1,374)
Income before income taxes and minority interests	2,978	3,871
Income tax provision	(669)	(1,541)
Minority interests in net loss of consolidated subsidiaries	253	255
NET INCOME	$ 2,562	$ 2,585
Per Share Data		
Net income per share - Basic and Diluted	$ 0.17	$ 0.17
Weighted average number of shares - Basic--Note F	15,011,508	14,892,105

Weighted average number of shares - Diluted--Note F	15,169,955	15,379,647
	============	============

</TABLE>

See accompanying notes.

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

<TABLE>
<CAPTION>

ASSETS	January 29, 1999	October 30, 1998 (a)
	---------	---------
	(Dollars in thousands)	
<S>	<C>	<C>
CURRENT ASSETS		
Cash and cash equivalents	$ 26,584	$ 31,625
Short-term investments	1,406	1,099
Trade accounts receivable less allowances of $6,376 (1999) and $5,822 (1998)	281,291	286,655
Inventories--Note B	42,568	38,997
Deferred income taxes	8,090	8,065
Prepaid expenses and other assets	9,373	7,005
	---------	---------
TOTAL CURRENT ASSETS	369,312	373,446
Investment in securities	814	1,489
Property, plant and equipment less allowances for depreciation and amortization of $52,684 (1999) and $51,134 (1998)--Note C	66,315	67,564
Deferred income taxes and other assets	8,210	7,190
Intangible assets-net of accumulated amortization of $13,719 (1999) and $12,553 (1998)--Note G	54,362	19,637
	---------	---------
	$ 499,013	$ 469,326
	=========	=========
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable to banks--Note C	$ 33,656	$ 4,128
Current portion of long-term debt--Note C	1,399	1,399
Accounts payable	85,172	91,377
Accrued wages and commissions	38,286	39,457
Other accruals	31,179	28,044
Customer advances and other liabilities	28,682	23,480
Income taxes	3,900	6,725
	---------	---------
TOTAL CURRENT LIABILITIES	222,274	194,610
LONG-TERM DEBT--Note C	53,823	54,048
MINORITY INTERESTS	19,193	19,446
STOCKHOLDERS' EQUITY--Notes C and D		
Preferred stock, par value $1.00; Authorized--500,000 shares; issued--none		
Common stock, par value $.10; Authorized--30,000,000 shares; issued 15,025,116 shares (1999) and 15,006,164 shares (1998)	1,503	1,501
Paid-in capital	37,551	37,127
Retained earnings	164,820	162,258
Accumulated other comprehensive income (loss)	(151)	336
	---------	---------
	203,723	201,222
	---------	---------
	$ 499,013	$ 469,326
	=========	=========

</TABLE>

(a) The Balance Sheet at October 30, 1998 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>

<S>	Three Months Ended	
	January 29, 1999	January 30, 1998
	(Dollars in thousands)	
	<C>	<C>
CASH PROVIDED BY (APPLIED TO) OPERATING ACTIVITIES		
Net income	$ 2,562	$ 2,585
Adjustments to reconcile net income to cash provided by (applied to) operating activities		
Depreciation and amortization	5,707	5,029
Gain on sale of joint venture	(1,272)	
Minority interests	(253)	(255)
Accounts receivable provisions	1,305	645
(Gain) loss on foreign currency translation	(106)	3
Deferred income tax (benefit) provision	(311)	31
Other	38	22
Changes in operating assets and liabilities:		
Decrease in accounts receivable	13,005	4,472
Increase in inventories	(3,574)	(162)
(Increase) decrease in prepaid expenses and other current assets	(1,272)	579
Decrease (increase) in other assets	170	(2,926)
Decrease in accounts payable	(12,305)	(18,232)
Increase in accrued expenses	704	1,815
Increase in customer advances and other liabilities	6,380	5,563
Decrease in income taxes payable	(4,200)	(942)
NET CASH PROVIDED BY (APPLIED TO) OPERATING ACTIVITIES	6,578	(1,773)

</TABLE>

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

<TABLE>
<CAPTION>

<S>	Three Months Ended	
	January 29, 1999	January 30, 1998
	(Dollars in thousands)	
	<C>	<C>
CASH PROVIDED BY (APPLIED TO) INVESTING ACTIVITIES		
Sales of investments	961	
Maturities of investments		105
Purchases of investments	(1,260)	(106)
Acquisitions	(37,974)	(801)
Proceeds from disposals of property, plant and equipment	71	136
Purchases of property, plant and equipment	(2,987)	(5,279)
Other	(34)	
NET CASH APPLIED TO INVESTING ACTIVITIES	(41,223)	(5,945)
CASH PROVIDED BY (APPLIED TO) FINANCING ACTIVITIES		
Payment of long-term debt	(225)	(775)

Exercise of stock options	16	172
Increase in notes payable to banks	29,599	1,141
NET CASH PROVIDED BY FINANCING ACTIVITIES	29,390	538
Effect of exchange rate changes on cash	214	64
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,041)	(7,116)
Cash and cash equivalents, beginning of period	31,625	54,234
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 26,584	$ 47,118
SUPPLEMENTAL INFORMATION		
Cash paid during the period:		
Interest expense	$ 1,094	$ 480
Income taxes, net of refunds	$ 3,805	$ 2,552

</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 29, 1999 and consolidated results of operations and consolidated cash flows for the three months ended January 29, 1999 and January 30, 1998. Operating results for 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 30, 1998. The accounting policies used in preparing these financial statements are the same as those described in that Report. The 1998 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--Inventories

Inventories consist of:

<TABLE>
<CAPTION>

	January 29, 1999	October 30, 1998
	(Dollars in thousands)	
<S>	<C>	<C>
Services:		
Accumulated unbilled costs on:		
Service contracts	$30,296	$27,579
Long-term contracts		108
	30,296	27,687
Products:		
Materials	5,816	5,671
Work-in-process	3,029	2,713
Service parts	1,464	1,819

Finished goods	1,963	1,107
	-------	-------
	12,272	11,310
	-------	-------
Total	$42,568	$38,997
	=======	=======

</TABLE>

The cumulative amounts billed, principally under long-term contracts, at January 29, 1999 and October 30, 1998, of $9.5 million and $25.7 million, respectively, are credited against the related costs in inventory. Substantially all of the amounts billed have been collected.

Note C--Long-Term Debt and Financing Arrangements

Long-term debt consists of the following:

<TABLE>
<CAPTION>

	January 29, 1999	October 30, 1998
	-------	-------
	(Dollars in thousands)	
<S>	<C>	<C>
7.92% Senior Notes (a)	$50,000	$50,000
Term loan (b)	3,975	4,200
Notes payable (c)	1,247	1,247
	-------	-------
	55,222	55,447
Less amounts due within one year	1,399	1,399
	-------	-------
Total long-term debt	$53,823	$54,048
	=======	=======

</TABLE>

(a) On August 28, 1996, the Company issued $50.0 million of Senior Notes in a private placement with institutional investors. The notes 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 $123.6 million at January 29, 1999. However, the terms of the Company's revolving Credit Agreement require the Company to maintain a consolidated net worth of $140.3 million at January 29, 1999 (see below).

(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 29, 1999 - $14.1 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) A 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 loan, guaranteed by the Company, is being repaid in semi-annual payments of $249,000, plus interest calculated at LIBOR (4.83% at January 29, 1999) plus 0.25%, through September 15, 2001.

In addition, on July 2, 1997, the Company entered into a $75.0 million, three-year, syndicated, unsecured, revolving Credit Agreement ("Credit Agreement") with a group of banks for which the Chase Manhattan Bank ("Chase") and Fleet Bank, N.A. are serving as co-agents. In December 1998, the Company amended and restated the Credit Agreement to extend it to January 2002. Borrowings under the facility bear interest at various interest rates, with the Company having the option to select the most favorable rate at the time of borrowing. The Credit Agreement provides for, among other things, 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 at January 29, 1999 to maintain consolidated net worth of $140.3 million), and certain limitations on the extent to which the Company and its subsidiaries may incur additional indebtedness, liens and sale of assets. There were $30 million in outstanding borrowings under the Agreement at January 29, 1999 (see Note G).

Note D--Stockholders' Equity

Changes in the major components of stockholders' equity for the three months ended January 29, 1999 are as follows:

<TABLE>
<CAPTION>

<S>	Common Stock <C>	Paid-In Capital <C>	Retained Earnings <C>
Balance at October 30, 1998	$ 1,501	$ 37,127	$162,258
Net income for the three months			2,562
Contribution of 18,172 shares to ESOP	2	408	
Stock options exercised - 780 shares		16	
Balance at January 29, 1999	$ 1,503	$ 37,551	$164,820

</TABLE>

The accumulated other comprehensive income (loss) consists of a cumulative unrealized foreign currency translation adjustment of ($190,000) and ($114,000) at January 29, 1999 and October 30, 1998, respectively, and an unrealized gain in marketable securities of $39,000 and $450,000 at January 29, 1999 and October 30, 1998, respectively. Changes in these items, net of income taxes, are included in the calculation of comprehensive income as follows:

<TABLE>
<CAPTION>

	Three Months Ended	
<S>	January 29, 1999 <C>	January 30, 1998 <C>
Net income	$ 2,562	$ 2,585
Foreign currency translation adjustments - net	(76)	71
Unrealized losses on marketable securities - net	(411)	
Total comprehensive income	$ 2,075	$ 2,656

</TABLE>

Note E--Gain on Sale of Joint Venture

In the first quarter of 1999, the Company recognized $1,272,000 of a previously deferred $2.0 million gain on the sale in 1997 of its interest in a Brazilian joint venture. In connection with the sale, the Company granted credit with respect to the printing of telephone directories by the Company's Uruguayan division. During the 1999 first quarter, the venture repaid certain of its obligations. The balance of the deferred gain will be recognized as the Uruguayan division collects its receivables from the venture.

Note F--Per Share Data

In 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.

Note G--Acquisitions

In December 1998, the Company acquired Gatton Computing Group Limited ("Gatton"), a provider of Information Technology ("IT") contractor resourcing services and IT managed services in the United Kingdom and continental Europe. The purchase price was $35.9 million in cash. Headquartered near London, England, Gatton offers IT services through three main operating divisions which provide temporary IT contract consultants and specifically tailored recruitment services and a range of IT services, including systems development, maintenance and technical support services.

Included in the results of operations for the two months since the acquisition are sales of $12.8 million and an operating profit of $410,000, net of $283,000 for amortization of goodwill. The assets acquired, excluding intangibles, consisted principally of accounts receivable sold on a nonrecourse basis pursuant to a factoring agreement. Such receivables, which amounted to $10.0 million at January 29, 1999, are net of advances from the factor of $7.3 million. The Company borrowed $35.0 million under its revolving Credit Agreement to finance this acquisition. This acquisition, along with two toll-free directories acquired in October 1998, resulted in an increase in intangible assets of $36.0 million.

During the first quarter of fiscal year 1998, the Company acquired community-based telephone directories, principally in Georgia, for $1.7 million, which included consideration of approximately $900,000, based on a percentage of estimated revenues to be collected through April 1999.

Note H--Industry Segments

Effective the beginning of fiscal 1999, the Company adopted the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" (Statement 131). Statement 131 superseded FASB Statement No. 14, "Financial Reporting for Segments of a Business Enterprise". Statement 131 establishes standards for the way that public business enterprises report information about operating segments in annual financial statements and requires that those enterprises report selected information about operating segments in interim financial reports. Statement 131 also establishes standards for related disclosures about products and services, geographic areas, and major customers. The adoption of Statement 131 did not affect results of operations or financial position, and, except for a minor reclassification, did not affect the disclosure of segment information.

Operations by industry segment for the three months ended January 29, 1999 and January 30, 1998 included on page 11 of this report are an integral part of these financial statements.

During the three months ended January 29, 1999, consolidated assets increased by $29.7 million, primarily as a result of the Gatton acquisition by the Company's Staffing Services segment (see Note G).

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

THREE MONTHS ENDED JANUARY 29, 1999 COMPARED
TO THE THREE MONTHS ENDED JANUARY 30, 1998

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>

Net Sales	For the Three Months Ended January 29, 1999	For the Three Months Ended January 30, 1998
	(Dollars in thousands)	
<S>	<C>	<C>
Staffing Services:		
Sales to unaffiliated customers	$ 386,488	$ 268,272
Intersegment sales	799	1,342
	387,287	269,614
Telephone Directory:		
Sales to unaffiliated customers	18,345	16,992
Intersegment sales	25	395
	18,370	17,387
Telecommunications Services:		
Sales to unaffiliated customers	35,678	41,873
Intersegment sales	324	564
	36,002	42,437
Computer Systems:		
Sales to unaffiliated customers	30,667	16,443
Intersegment sales	7	38
	30,674	16,481
Electronic Publication and Typesetting Systems:		
Sales to unaffiliated customers	18,744	17,935
Intersegment sales	52	107
	18,796	18,042
Elimination of intersegment sales	(1,207)	(2,446)
Total Net Sales	$ 489,922	$ 361,515
Segment Operating Profit (Loss):		
Staffing Services	$ 5,918	$ 4,817
Telephone Directory	(1,333)	(1,024)
Telecommunications Services	1,129	3,794
Computer Systems	1,449	172
Electronic Publication and Typesetting Systems	(411)	(31)
Total Segment Operating Profit	6,752	7,728
General corporate expenses	(3,373)	(2,819)
Total Operating Profit	3,379	4,909
Gain on sale of joint venture	1,272	
Interest and other income - net	482	789
Interest expense	(2,026)	(1,374)
Foreign exchange loss - net	(129)	(453)
Income Before Income Taxes and Minority Interests	$ 2,978	$ 3,871

</TABLE>

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

THREE MONTHS ENDED JANUARY 29, 1999 COMPARED
TO THE THREE MONTHS ENDED JANUARY 30, 1998 --Continued

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; the effect of litigation by temporary employees against temporary help companies and the customers with whom they do business; 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, cost overruns, 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; the degree and effects of inclement weather; timing of customer acceptances of systems; 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; the Company's ability to successfully and timely complete its Year 2000 compliance programs, and the ability of certain of its suppliers and customers to be Year 2000 compliant. These and certain other factors are discussed in the Company's Annual Report on Form 10-K for the year ended October 30, 1998 and may be discussed in reports hereafter filed with the Securities and Exchange Commission, including this Report.

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

THREE MONTHS ENDED JANUARY 29, 1999 COMPARED
TO THE THREE MONTHS ENDED JANUARY 30, 1998 --Continued

Results of Operations - Summary

In the three-month period of fiscal 1999, net sales increased by $128.4 million, or 36%, to $489.9 million from the comparable period in fiscal 1998. The increase in 1999 net sales resulted primarily from a $117.7 million

increase in sales by the Staffing Services segment, a substantial portion of which was increased managed service revenue, and a $14.2 million increase in sales by the Computer Systems segment, partially offset by a $6.4 million decrease in sales by the Telecommunications Services segment.

The Company's 1999 pretax income before minority interests decreased by $893,000, or 23%, to $3.0 million. The operating profit of the Company's segments decreased by $976,000, or 13%, to $6.8 million in 1999. While the Staffing Services segment and the Computer Systems segment increased their operating profits, the decrease in results of the other three segments more than offset these gains.

Consolidated 1999 results included a gain on the sale of a joint venture of $1.3 million (see Note E of Notes to Consolidated Financial Statements of this Report).

Net income in the first three months of 1999 was $2.6 million, the same as in the first three months of 1998.

Results of Operations - By Segment

Sales of the Staffing Services segment increased by $117.7 million, or 44%, to $387.3 million in 1999 with traditional staffing revenues increasing by 16% and managed service revenue more than tripling, and its operating profit increased by $1.1 million, or 23%, to $5.9 million, compared with $4.8 million in 1998. Approximately $79.6 million, or 68%, of the segment's 1999 sales increase was due to pass-through costs primarily related to the use of associate vendors to service large national managed service contracts, which increased from $36.9 million to $116.5 million in 1999. Approximately $17.7 million of the increase was from business with new customers, including $12.8 million of sales from a newly acquired subsidiary, with the remaining increase of $20.4 million arising from existing customers. The increase in the segment's operating profit was due to the increase in sales volume, which was partially offset by a decrease in gross margin of approximately 1.4 percentage points. The decrease in gross margin percentage was due to the higher associate vendor usage in managed service contracts, which is billed at substantially lower mark-ups than traditional recruited business.

The Telephone Directory segment's sales increased by $983,000, or 6%, to $18.4 million in fiscal 1999. Its operating loss increased to $1.3 million in 1999 from a loss of $1.0 million in 1998. The sales increase was due to increased independent directory publishing sales of $6.7 million which included publication of two newly acquired toll-free directories, partially offset by decreased production sales including the absence of sales under a contract that expired June 1998, which accounted for approximately 20% of the segment's sales in the first three months of fiscal 1998. The increase in the segment's loss in fiscal 1999 was due to the expiration of the production contract, partially offset by increased operating profit resulting from higher publishing sales. This segment's services are rendered under various short and long-term contracts, some of which expired in 1998, while others were renewed and new contracts were awarded to the segment. Other contracts are scheduled to expire through 2001.

Results of Operations - By Segment--Continued

The Telecommunications Services segment's sales decreased by $6.4 million, or 15%, to $36.0 million in fiscal 1999 and its operating profit decreased by $2.7 million, or 70%, to $1.1 million in fiscal 1999 compared with $3.8 million in 1998. The sales decrease was due to a 28% decrease in the Construction division, resulting from a delay in capital spending by customers on infrastructure, partially offset by a 57% increase in the Central Office group. Operating profit decreased due to a 4.3 percentage point decrease in the Business Systems group's gross margins, the decrease in the Construction division's sales and a 17% increase in overhead due to the difficulty in recruiting competent technical

staff which precluded a cutback in personnel during this period.

The Computer Systems segment's sales increased by $14.2 million, or 86%, to $30.7 million in 1999 and its operating profit increased to $1.4 million from $172,000 in 1998. The increase in sales and operating profit was due to the recognition of the first, and most significant, phase of the installation of an operator services system in Holland which was accounted for under the completed contract method of accounting. Revenues and operating profit for this contract were $19.0 million and $2.3 million, respectively, during the first quarter of fiscal 1999. These increases were partially offset by a reduction in other system upgrade sales. The segment anticipates additional revenue and operating profit to be recognized during the remainder of fiscal 1999 on this contract.

The Electronic Publication and Typesetting Systems segment's sales increased by $754,000, or 4%, to $18.8 million in 1999. However, its operating loss was $411,000, compared with an operating loss of $31,000 in 1998. The fiscal 1998 sales increase resulted primarily from an increase in domestic sales of systems and equipment. Operating results decreased due to a 3.3 percentage point decrease in gross margins. Systems and equipment gross margins decreased by 6.4 percentage points due principally to the sale of a greater proportion of lower margin products offset, in part, by an increase in customer service gross margins of 2.4 percentage points due primarily to improved margins on spare part sales. The markets in which the segment competes are marked by rapidly changing technology, with sales in fiscal 1999 of equipment introduced within the last three years comprising approximately 89% of equipment sales.

THREE MONTHS ENDED JANUARY 29, 1999 COMPARED
TO THE THREE MONTHS ENDED JANUARY 30, 1998 --Continued

Results of Operations - Other

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

Selling and administrative expenses increased by $2.2 million, or 16%, to $15.4 million in 1999 to support the increased sales levels. These expenses expressed as a percentage of sales were 3.1% in 1999 and 3.7% in 1998.

Research, development and engineering decreased by $575,000, or 19%, to $2.4 million in 1999. The decrease in 1999 was primarily due to a reduction in product development in the Computer Systems segment as new products and services were completed and introduced to new and existing customers.

Depreciation and amortization increased by $678,000, or 13%, to $5.7 million in 1999. The 1999 increase was attributable to amortization of intangibles, due to acquisitions made in 1999 and 1998.

Interest income decreased by $201,000, or 26%, to $560,000 in 1999, primarily due to a decrease of funds available for investment.

The foreign exchange loss in the first quarter of 1999 was $129,000, compared to $453,000 in 1998. In the first quarter of 1998, a significant strengthening of the U.S. dollar compared to other currencies resulted in the foreign exchange loss before the Company's hedging program became effective which avoided any further losses.

Interest expense increased by $652,000, or 47%, to $2.0 million in 1999. The increase is the result of the Company borrowing under its revolving Credit Agreement to finance the acquisition of Gatton, interest incurred by Gatton on advances from its factor and higher interest rates and financing costs incurred by the Company's Uruguayan division.

The Company's effective tax rate was reduced to 22.5% in 1999 from 39.8% in 1998. The low effective tax rate in 1999 resulted from the non-taxable gain on the sale of a Brazilian joint venture.

In the first quarter of 1999, the Company recognized $1,272,000 of a previously

deferred $2.0 million gain on the sale in 1997 of its interest in a Brazilian joint venture. In connection with the sale, the Company granted credit with respect to the printing of telephone directories by the Company's Uruguayan division. During the 1999 first quarter, the venture repaid certain of its obligations. The balance of the deferred gain will be recognized as the Uruguayan division collects its receivables from the venture.

Liquidity and Sources of Capital

Cash and cash equivalents decreased by $5.0 million in 1999 to $26.6 million primarily as a result of the use of cash for acquisitions. Operating activities provided $6.6 million of cash flows in the three months of fiscal 1999. Primary among the factors providing cash flows to operating activities in 1998 were the Company's net income of $2.6 million, augmented by $5.7 million of depreciation and amortization, a decrease in the level of accounts receivable of $13.0 million and an increase of $6.4 million in customer advances and other liabilities. The principal use of cash in operating activities for the three months ended January 29, 1999 was $12.3 million to reduce the level of accounts payable.

The principal factor in the cash applied to investing activities of $41.2 million was the expenditure for acquisitions of $38.0 million of which $35.9 million was expended in connection with the acquisition of Gatton.

Financing activities provided $29.4 million of cash from the increase in bank loans of $29.6 million borrowed principally to fund the acquisition of Gatton.

In addition to its cash and cash equivalents, at January 29, 1999, the Company has a $75 million, three-year, syndicated, unsecured credit line with a group of banks under a revolving Credit Agreement which extends to January 2002 (see Note C in the Notes to Condensed Consolidated Financial Statements) of which $30 million was outstanding at January 29, 1999.

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 $12.0 million to purchase and install an Enterprise Resource Planning System for internal use. This system is being purchased to satisfy the Company's ongoing information technology requirements. Current systems are in the process of being made Year 2000 compliant. This sum includes the purchase price for the system together with a support contract, certain computer hardware and initial phase implementation consulting services. Financing over three to four year periods for approximately 75% of this amount has been obtained from the vendors. The total cost to purchase and install this system is anticipated to be approximately $15 million, a substantial portion of which will be capitalized and amortized over 7 years.

Year 2000 Compliance

The Year 2000 issues have arisen as a result of computer programs being written using two digits rather than four to define the applicable year. Programs that have time sensitive software may therefore recognize "00" as the year 1900 rather than the year 2000, which could result in major system failures or miscalculations.

State of Readiness

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 Year 2000 approaches. Volt's Enterprise-Wide Year 2000 Compliance Assurance Program (the "Program") was initiated during 1997, in order that the Company's internal systems and products offered for sale would continue to meet its internal needs and those of its customers.

Year 2000 Compliance--Continued

The Program involves Volt employees and consultants identifying, remediating, and testing all of its computer equipment and software for Year 2000 compliance. For this purpose, computer equipment and software includes systems that are commonly thought of as Information Technology ("IT") systems, as well as non IT systems such as facility control systems, communication systems and other similar systems which may contain embedded technologies which may be time sensitive.

The Program required that the individual business units of the Company formally develop a plan to ensure Year 2000 compliance. The Program was divided into the following phases:

- Identification and inventory of all computer equipment and software
- Initial system assessment, including assessment of risk
- System corrections and implementation of corrections
- Testing of systems including any system's corrections and/or replacement

The Program was segmented to cover both internal systems and company products. The Company has established a policy which requires that all current products be Year 2000 compliant and that new products are tested for Year 2000 compliance. The testing of existing products is currently in progress, and that of new products is ongoing. Users of older non-compliant products have been notified of the requirement to upgrade, if required.

The Company has addressed the Year 2000 issue with the suppliers of systems on which certain of the Company's systems rely, and with which significant electronic commerce is conducted, and has requested verification that they will be compliant on a timely basis. To that end, the Company has been and will continue to work closely with those vendors to ascertain that Year 2000 compliance is achieved. The Company is not aware of any significant third party that has a compliance issue which would materially impact the Company's results of operations, liquidity or capital resources. However, the Company has no means to ensure that such third parties will in fact be Year 2000 compliant, and the inability of third parties to be compliant in a timely fashion could have a material adverse impact on the Company. The effect of non-compliance by a third party is not determinable.

The initial readiness target date established by the Program was December 31, 1998. Although this date was not met for every system, the Program is at an advanced stage. The identification, inventory and the initial risk assessment stages of the program have been completed, and those systems critical to the Company's business have had corrections provided and have either been tested or are in the process of being tested. It is presently anticipated that the entire Program will have been completed by June 1999.

Based on ongoing assessments of current progress and future plans, the Company believes that the Year 2000 date will not significantly affect its ability to deliver services and products to its customers on a timely basis. No issues have been encountered, nor are any anticipated, which would materially affect the Company's ability to continue operations.

Year 2000 Compliance--Continued

Costs of Addressing Year 2000 Issues

The Company's cost of Year 2000 remediation is estimated at $5.1 million through the end of 1999. The actual and estimated future costs are as follows:

<TABLE>

<CAPTION>

<S>	Costs through January 29, 1999 <C>	Estimated Future Costs <C>	Total <C>
	(Dollars in thousands)		
Internal Systems	$1,900	$ 900	$2,800
Product Line	1,500	800	2,300
Total Costs	$3,400	$1,700	$5,100

</TABLE>

The above costs include the costs of identification, system corrections and testing and are expensed as incurred. The estimated future costs include the continued testing of all systems including the extensive testing of the software where corrections have been made by external consultants and returned to the Company. In addition to the above, the Company has also purchased and will purchase during the remainder of 1999 new hardware and software which replaces older non-compliant systems. These new systems were required to meet the Company's increasing information requirements, in addition to the requirements for Year 2000 compliance. The estimated costs of such systems is $900,000, and will be capitalized.

Estimated costs to remedy Year 2000 issues have increased slightly during this quarter, but the estimated cost of purchasing replacement hardware and software has decreased, as it was determined that certain systems that were to be replaced can in fact be made compliant.

Risks of the Company's Year 2000 Issues

The Company believes it has an effective program in place to resolve the Year 2000 issue in a timely manner. As noted above, the Company has not yet completed all necessary phases of the program. Failure to correct a material Year 2000 issue could result in an interruption to, or a failure of, normal business activities or operations. Such an interruption, or failure, could materially adversely affect the Company's results of operations, liquidity and financial condition. In addition, disruption in the economy in general resulting from Year 2000 issues could also materially adversely impact the Company. The amount of potential liability and lost revenue cannot be reasonably estimated at this time.

However, all of the Company's internal systems and product lines have been thoroughly reviewed and a substantial portion of the testing has been completed. Corrections of systems which are more critical to the operations of the Company were prioritized and the efforts were focused on these systems first.

Year 2000 Compliance--Continued

The Company's Contingency Plans

Although the Company believes that both its internal systems and product lines will be compliant in a timely manner, the Company is in the process of developing contingency plans which it expects to be complete in the first half of 1999. Such plans will include back up stand alone systems, methods not relying on computers, and the identification and commitment of alternate suppliers and vendors. Those business units supplying products dependent on time sensitive computer systems will have teams of technicians available to assist customers with any Year 2000 issues which are not revealed until after December 31, 1999. The Company does not anticipate that problems of this nature will be significant due to thorough testing of its product line.

ITEM 3 - QUALITATIVE AND QUANTITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is subject to market risk exposure in the following areas:

Interest Rate Market Risk

The Company has cash equivalents on which interest income is earned at variable rates. The Company also has credit lines with various domestic and foreign banks which provide for unsecured borrowings and letters of credit up to an aggregate of $88 million. At January 29, 1999, the Company had borrowings totaling $33.7 million under these agreements. The interest rates on these borrowings are variable and, therefore, interest expense and interest income are affected by the general level of U.S. and foreign interest rates. Increases in interest expense resulting from an increase in interest rates would be offset to some extent by a corresponding increase in interest income from cash equivalents.

The Company's total long-term debt of $55.2 million at January 29, 1999 consists substantially of borrowings at fixed interest rates, and the Company's interest expense related to these borrowings is not exposed to changes in interest rates in the near term.

Equity Price Risk

The Company holds short-term investments in mutual funds for the Company's deferred compensation plan, and non-current investments consisting of a portfolio of equity securities. The total market value of these investments is $2.2 million and based on this value, the Company does not believe that its exposure to market risk from these investments is material.

Foreign Exchange Market Risk

The Company has a number of overseas subsidiaries, and is therefore subject to exposure from the risk of currency fluctuations as the value of the foreign currency fluctuates against the dollar, which may impact reported earnings. The Company attempts to reduce these risks by utilizing foreign currency option contracts to hedge the adverse impact on foreign currency receivables and sales when the dollar strengthens against the related foreign currency. At January 29, 1999, the Company had purchased foreign currency options in the aggregate notional amount of $7.7 million, which approximated its exposure in foreign currencies at that date. The Company does not believe that it is exposed to material foreign exchange market risk.

PART II - OTHER INFORMATION

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

(a) Exhibits:

15.01 Letter from Ernst & Young LLP.

15.02 Letter from Ernst & Young LLP regarding interim financial information

27.01 Financial Data Schedule.

(b) Reports on Form 8-K:

The only Report on Form 8-K filed during the quarter ended January 29, 1999 was a report dated December 2, 1998 (date of earliest event reported) reporting Item 5: Other Events and Item 7: Financial Statements and Exhibits. No financial statements were filed with that Report.

March 12, 1999

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. 33-18565 on Form S-8 dated December 14, 1987, Registration Statement No. 333-13369 on Form S-8 dated October 3, 1996 and Registration Statement No. 333-45903 on Form S-8 dated February 10, 1998 of Volt Information Sciences, Inc. of our report dated March 2, 1999, relating to the unaudited condensed consolidated interim financial statements of Volt Information Sciences, Inc. which are included in its Form 10-Q for the quarter ended January 29, 1999.

Pursuant to Rule 436(c) of the Securities Act of 1933 our report is not 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 LLP

New York, New York

Exhibit 15.01

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

INDEPENDENT ACCOUNTANTS' REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Stockholders
Volt Information Sciences, Inc.

We have reviewed the accompanying unaudited condensed consolidated balance sheet of Volt Information Sciences, Inc. and subsidiaries as of January 29, 1999, and the related condensed consolidated statements of income and cash flows for the three month periods ended January 29, 1999 and January 30, 1998. 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 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 of Volt Information Sciences, Inc. as of October 30, 1998, and the related consolidated statements of income and cash flows for the year then ended, not presented herein; and in our report dated December 15, 1998, 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 30, 1998, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Ernst & Young LLP

March 2, 1999

Exhibit 15.02

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