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 27, 2008.

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.)

560 Lexington Avenue, New York, New York	10022
(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___

Indicate by check mark whether registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	___	Accelerated Filer	_X_
Non-Accelerated Filer	___	Smaller Reporting Company	___

Indicate by check mark whether registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes __ No _X_

The number of shares of the registrant's common stock, $.10 par value, outstanding as of March 1, 2008 was 21,983,541.

VOLT INFORMATION SCIENCES, INC. AND SUBSIDIARIES
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PART I - FINANCIAL INFORMATION
ITEM 1 - FINANCIAL STATEMENTS

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

	Three Months Ended	
	January 27, 2008	January 28, 2007
	(In thousands, except per share amounts)	
NET SALES	$590,493	$548,799
COST AND EXPENSES:		
Cost of sales	572,739	513,082
Selling and administrative	25,080	23,882
Restructuring costs	1,504	-
Depreciation and amortization	9,856	9,601
	609,179	546,565
OPERATING (LOSS) INCOME	(18,686)	2,234
OTHER INCOME (EXPENSE):		
Interest income	1,302	1,213
Other expense, net	(1,707)	(1,532)
Foreign exchange loss, net	(309)	(87)
Interest expense	(1,622)	(628)
(Loss) income before minority interest and income taxes	(21,022)	1,200
Minority interest	33	-
(Loss) income before income taxes	(20,989)	1,200
Income tax benefit (provision)	7,781	(473)

NET (LOSS) INCOME	($13,208)	$727
	===========	===========

Per Share Data

Net (loss) income per share -basic and diluted	($0.59)	$0.03
	===========	===========
Weighted average number of shares		
Basic	22,301	23,161
	===========	===========
Diluted	22,301	23,211
	===========	===========

See accompanying notes to condensed consolidated financial statements (unaudited).

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

	January 27, 2008 (Unaudited)	October 28, 2007 (Audited)
ASSETS	(In thousands, except share amounts)	
CURRENT ASSETS		
Cash and cash equivalents	$44,089	$40,398
Restricted cash	22,546	25,482
Short-term investments	5,097	5,624
Trade accounts receivable, net of allowances of $5,714 (2008) and $5,236 (2007)	392,791	417,115
Inventories, net of allowances of $21,325 (2008) and $4,445 (2007)	40,494	59,950
Recoverable income taxes	5,479	-
Deferred income taxes	16,481	9,629
Prepaid insurance and other assets	31,003	39,927
	-----------	-----------
TOTAL CURRENT ASSETS	557,980	598,125
Property, plant and equipment, net	73,937	74,709
Insurance and other assets	7,191	6,648
Deferred income taxes	7,998	8,125
Goodwill	99,705	98,715
Other intangible assets, net	51,779	53,829
	-----------	-----------
TOTAL ASSETS	$798,590	$840,151
	===========	===========
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable to banks	$86,037	$84,111
Current portion of long-term debt	521	510
Accounts payable	194,653	214,799
Accrued wages and commissions	58,393	64,049
Accrued taxes other than income taxes	26,920	22,440
Accrued insurance and other accruals	31,046	32,715
Deferred income and other liabilities	39,399	33,785
Income taxes payable	-	4,822
	-----------	-----------
TOTAL CURRENT LIABILITIES	436,969	457,231
Long-term debt	12,182	12,316
Income taxes payable	937	-
Deferred income taxes	17,523	18,025
Minority interest	60	43

STOCKHOLDERS' EQUITY		
Preferred stock, par value $1.00; Authorized--500,000 shares; issued--none		
Common stock, par value $.10; Authorized--120,000,000 shares; issued--23,480,103 shares (2008) and (2007)	2,348	2,348
Paid-in capital	50,777	50,740
Retained earnings	306,430	319,688
Accumulated other comprehensive income	2,345	2,660
	361,900	375,436
Less treasury stock--1,496,562 shares (2008) and 1,048,966 shares (2007), at cost	(30,981)	(22,900)
TOTAL STOCKHOLDERS' EQUITY	330,919	352,536
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$798,590	$840,151

See accompanying notes to condensed consolidated financial statements (unaudited).

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

	Three Months Ended	
	January 27, 2008	January 28, 2007
	(In thousands)	
CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		
Net (loss) income	($13,208)	$727
Adjustments to reconcile net (loss) income to cash provided by operating activities:		
Depreciation and amortization	9,856	9,601
Accounts receivable provisions	5,714	1,119
Minority interest	(33)	-
Gain on dispositions of property, plant and equipment	-	(36)
Loss (gain) on foreign currency translation	91	(111)
Deferred income tax benefit	(8,095)	(619)
Share-based compensation expense related to employee stock options	37	14
Excess tax benefits from share-based compensation	-	(110)
Changes in operating assets and liabilities, net of assets acquired :		
Accounts receivable	38,213	30,965
Reduction in securitization program	(20,000)	(50,000)
Inventories	19,456	3,123
Prepaid insurance and other current assets	8,355	3,121
Insurance and other long-term assets	(629)	207
Accounts payable	(17,544)	(3,962)
Accrued expenses	(2,018)	2,519
Deferred income and other liabilities	5,124	16,985
Income taxes	(9,334)	(4,366)
NET CASH PROVIDED BY OPERATING ACTIVITIES	15,985	9,177

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

Three Months Ended

	January 27, 2008	January 28, 2007
	(In thousands)	
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Sales of investments	$696	$469
Purchases of investments	(727)	(459)
Decrease in restricted cash	2,936	1,755
(Decrease) in payables related to restricted cash	(2,936)	(1,755)
Acquisition, business	-	(225)
Proceeds from disposals of property, plant and equipment, net	2	48
Purchases of property, plant and equipment	(7,211)	(6,836)
NET CASH USED IN INVESTING ACTIVITIES	(7,240)	(7,003)
CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES		
Payment of long-term debt	(123)	(114)
Cash in lieu of fractional shares	-	(18)
Exercises of stock options	-	345
Excess tax benefits from share-based compensation	-	110
Purchase of treasury shares	(8,081)	(7,950)
Increase in notes payable to banks	1,768	38,823
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(6,436)	31,196
Effect of exchange rate changes on cash	1,382	(37)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,691	33,333
Cash and cash equivalents, beginning of period	40,398	38,481
CASH AND CASH EQUIVALENTS, END OF PERIOD	$44,089	$71,814
SUPPLEMENTAL INFORMATION		
Cash paid during the period:		
Interest expense	$1,724	$471
Income taxes	$9,831	$6,235

See accompanying notes to condensed consolidated financial statements (unaudited).

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 27, 2008 and consolidated results of operations and consolidated cash flows for the three months ended January 27, 2008 and January 28, 2007.

Effective October 29, 2007, the Company adopted the provisions of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 prescribes a

recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. There was no material impact on the Company's consolidated financial position and results of operations as a result of the adoption of the provisions of FIN 48.

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 fiscal year ended October 28, 2007. The accounting policies used in preparing these financial statements are the same as those described in that Report. The Company's fiscal year ends on the Sunday nearest October 31.

NOTE B--Securitization Program

The Company has a $200.0 million accounts receivable securitization program ("Securitization Program"), which expires in April 2009. Under the Securitization Program, receivables related to the United States operations of the staffing solutions business of the Company and its subsidiaries are sold from time-to-time by the Company to Volt Funding Corp., a wholly-owned special purpose subsidiary of the Company ("Volt Funding"). Volt Funding, in turn, sells to Three Rivers Funding Corporation ("TRFCO"), an asset backed commercial paper conduit sponsored by Mellon Bank, N.A. and unaffiliated with the Company, an undivided percentage ownership interest in the pool of receivables Volt Funding acquires from the Company (subject to a maximum purchase by TRFCO in the aggregate of $200.0 million). The Company retains the servicing responsibility for the accounts receivable. At January 27, 2008, TRFCO had purchased from Volt Funding a participation interest of $100.0 million out of a pool of approximately $239.9 million of receivables.

The Securitization Program is not an off-balance sheet arrangement as Volt Funding is a 100% owned consolidated subsidiary of the Company. Accounts receivable are only reduced to reflect the fair value of receivables actually sold. The Company entered into this arrangement as it provided a low-cost alternative to other financing.

The Securitization Program is designed to enable receivables sold by the Company to Volt Funding to constitute true sales of those receivables. As a result, the receivables are available to satisfy Volt Funding's own obligations to its own creditors before being available, through the Company's residual equity interest in Volt Funding, to satisfy the Company's creditors. TRFCO has no recourse to the Company beyond its interest in the pool of receivables owned by Volt Funding.

NOTE B--Securitization Program--Continued

In the event of termination of the Securitization Program, new purchases of a participation interest in receivables by TRFCO would cease and collections reflecting TRFCO's interest would revert to it. The Company believes TRFCO's aggregate collection amounts should not exceed the pro rata interests sold. There are no contingent liabilities or commitments associated with the Securitization Program.

The Company accounts for the securitization of accounts receivable in accordance with SFAS No. 156, "Accounting for Transfers and Servicing of Financial Assets, an amendment of SFAS No. 140." At the time a participation interest in the receivables is sold, the receivable representing that interest is removed from the condensed consolidated balance sheet (no debt is recorded) and the proceeds from the sale are reflected as cash provided by operating activities. Losses and expenses associated with the transactions, primarily related to discounts incurred by TRFCO on the issuance of its commercial paper, are charged to the consolidated statement of operations.

The Company incurred charges in connection with the sale of receivables under the Securitization Program, of $1.5 million in the three months ended January 27, 2008 compared to $1.3 million in the prior year's first quarter, which are included in Other Expense on the consolidated statement of operations. The

equivalent cost of funds in the Securitization Program was at the rate of 5.6% per annum in both of the three-month 2008 and 2007 fiscal periods. The Company's carrying retained interest in the receivables approximated fair value due to the relatively short-term nature of the receivable collection period. In addition, the Company performed a sensitivity analysis, changing various key assumptions, which also indicated the retained interest in receivables approximated fair value.

At January 27, 2008 and October 28, 2007, the Company's carrying retained interest in a revolving pool of receivables was approximately $139.1 million and $143.8 million, respectively, net of a service fee liability, out of a total pool of approximately $239.9 million and $264.9 million, respectively. The outstanding balance of the undivided interest sold to TRFCO was $100.0 million and $120.0 million at January 27, 2008 and October 28, 2007, respectively. Accordingly, the trade accounts receivable included on the January 27, 2008 and October 28, 2007 balance sheets were reduced to reflect the participation interest sold of $100.0 million and $120.0 million, respectively.

The Securitization Program is subject to termination at TRFCO's option, under certain circumstances, including the default rate, as defined, on receivables exceeding a specified threshold, the rate of collections on receivables failing to meet a specified threshold or the Company failing to maintain a long-term debt rating of "B" or better, or the equivalent thereof, from a nationally recognized rating organization. At January 27, 2008, the Company was in compliance with all requirements of the Securitization Program.

NOTE C--Inventories

Inventories of accumulated unbilled costs, principally work in process, and materials, net of related reserves, by segment are as follows:

	January 27, 2008	October 28, 2007
	(In thousands)	
Telephone Directory	$10,306	$9,650
Telecommunications Services	23,091	43,162
Computer Systems	7,097	7,138
Total	$40,494	$59,950

The cumulative amounts billed under service contracts at January 27, 2008 and October 28, 2007 of $19.8 million and $13.9 million, respectively, are credited against the related costs in inventory. In addition, inventory reserves at January 27, 2008 and October 28, 2007 of $21.3 million and $4.4 million, respectively, are credited against the related costs in inventory. The increase in reserves is the result of a $19.3 million reserve established for certain costs included in inventory related to work performed and for additional costs expected to be incurred to complete that work under an installation contract in the Telecommunications Services segment.

NOTE D--Short-Term Borrowings

At January 27, 2008, the Company had credit lines with domestic and foreign banks which provided for borrowings and letters of credit of up to an aggregate of $148.9 million, including the Company's $40.0 million secured, syndicated revolving credit agreement ("Credit Agreement") and the Company's wholly owned subsidiary, Volt Delta Resources, LLC's ("Volt Delta") $100.0 million secured, syndicated revolving credit agreement ("Delta Credit Facility"). The Company had total outstanding bank borrowings of $86.0 million, the majority of which was used to finance the acquisition of LSSi Corp. Included in these borrowings were $16.4 million of foreign currency borrowings of which $13.6 million provide economic hedges against foreign denominated net assets.

Credit Agreement

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The Credit Agreement established a secured credit facility ("Credit Facility") in favor of the Company and designated subsidiaries, of which up to $15.0 million may be used for letters of credit. Borrowings by subsidiaries are limited to $25.0 million in the aggregate. At January 27, 2008, the Company had no borrowings against this facility. The administrative agent for the Credit Facility is JPMorgan Chase Bank, N.A. The other banks participating in the Credit Facility are Mellon Bank, N.A., Wells Fargo Bank, N.A., Lloyds TSB Bank PLC and Bank of America, N.A.

Borrowings under the Credit Agreement are to bear interest at various rate options selected by the Company at the time of each borrowing. Certain rate options, together with a facility fee, are based on a leverage ratio, as defined. Additionally, interest and the facility fees can be increased or decreased upon a change in the rating of the facility as provided by a nationally recognized rating agency. The Credit Agreement requires the maintenance of specified accounts receivable collateral in excess of any outstanding borrowings. Based upon the Company's leverage ratio and debt rating at January 27, 2008, if a three-month U.S. Dollar LIBO rate were the interest rate option selected by the Company, borrowings would have borne interest at the rate of 4.1% per annum, excluding a fee of 0.3% per annum paid on the entire facility.

The Credit Agreement provides for the maintenance of various financial ratios and covenants, including, among other things, a requirement that the Company maintain a consolidated tangible net worth, as defined; a limitation on cash dividends, capital stock purchases and redemptions by the Company in any one fiscal year to 50% of consolidated net income, as defined, for the prior fiscal year; and a requirement that the Company maintain a ratio of EBIT, as defined, to interest expense, as defined, of 1.25 to 1.0 for the twelve months ended as of the last day of each fiscal quarter. The Credit Agreement also imposes limitations on, among other things, the incurrence of additional indebtedness, the incurrence of additional liens, sales of assets, the level of annual capital expenditures, and the amount of investments, including business acquisitions and investments in joint ventures, and loans that may be made by the Company and its subsidiaries. The Company was not in compliance with one covenant at January 27, 2008. A waiver of this covenant was not required as the Credit Agreement, which was due to expire in April 2008, was cancelled and replaced with a new $42.0 million five-year unsecured revolving facility on February 28, 2008.

The Company is liable on all loans made to it and all letters of credit issued at its request, and is jointly and severally liable as to loans made under the Credit Agreement to subsidiary borrowers. However, unless also a guarantor of loans, a subsidiary borrower is not liable with respect to loans made to the Company or letters of credit issued at the request of the Company, or with regard to loans made to any other subsidiary borrower. Five subsidiaries of the Company are guarantors of all loans made to the Company or to subsidiary borrowers under the Credit Facility. At January 27, 2008, four of those guarantors had pledged approximately $42.0 million of accounts receivable, other than those in the Securitization Program, as collateral for the guarantee obligations. Under certain circumstances, other subsidiaries of the Company also may be required to become guarantors under the Credit Facility.

Delta Credit Facility
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In December 2006, Volt Delta entered into the Delta Credit Facility, which expires in December 2009, with Wells Fargo, N.A. as the administrative agent and arranger, and as a lender thereunder. Wells Fargo and the other three lenders under the Delta Credit Facility, Lloyds TSB Bank Plc., Bank of America, N.A. and JPMorgan Chase, also participate in the Company's $40.0 million revolving Credit Facility. Neither the Company nor Volt Delta guarantees each other's facility but certain subsidiaries of each are guarantors of their respective parent company's facility.

The Delta Credit Facility allows for the issuance of revolving loans and letters

of credit in the aggregate of $100.0 million with a sublimit of $10.0 million on the issuance of letters of credit. At January 27, 2008, $79.5 million was drawn on this facility. Certain rate options, as well as the commitment fee, are based on a leverage ratio, as defined, which resets quarterly. Based upon Volt Delta's leverage ratio at January 27, 2008, if a three-month U.S. Dollar LIBO rate were the interest rate option selected by the Company, borrowings would have borne interest at the rate of 5.0% per annum. Volt Delta also pays a commitment fee on the unused portion of the Delta Credit Facility which varies based on Volt Delta's leverage ratio. At January 27, 2008, the commitment fee was 0.3% per annum.

The Delta Credit Facility provides for the maintenance of various financial ratios and covenants, including, among other things, a total debt to EBITDA ratio, as defined, which cannot exceed 2.0 to 1.0 on the last day of any fiscal quarter, a fixed charge coverage ratio, as defined, which cannot be less than 2.5 to 1.0 and the maintenance of a consolidated net worth, as defined. The Delta Credit Facility also imposes limitations on, among other things, incurrence of additional indebtedness or liens, the amount of investments including business acquisitions, creation of contingent obligations, sales of assets (including sale leaseback transactions) and annual capital expenditures. At January 27, 2008, Volt Delta was in compliance with all covenants in the Delta Credit Facility.

NOTE E--Long-Term Debt and Financing Arrangements

In September 2001, a subsidiary of the Company entered into a $15.1 million loan agreement with General Electric Capital Business Asset Funding Corporation. Principal payments have reduced the loan to $12.7 million at January 27, 2008. The fair value of the loan was approximately $14.0 million at January 27, 2008. The 20-year loan, which bears interest at 8.2% per annum and requires principal and interest payments of $0.4 million per quarter, is secured by a deed of trust on certain land and buildings that had a carrying amount at January 27, 2008 of $10.0 million. The obligation is guaranteed by the Company.

NOTE F--Stockholders' Equity

Changes in the major components of stockholders' equity for the three months ended January 27, 2008 are as follows:

	Common Stock	Paid-In Capital	Retained Earnings	Treasury Stock
	(In thousands)			
Balance at October 28, 2007	$2,348	$50,740	$319,688	($22,900)
Amortization of restricted stock and stock units		21		
Compensation expense - stock options		16		
Change in fair value of minority interest			(50)	
Purchase of treasury shares				(8,081)
Net loss for the three months			(13,208)	
Balance at January 27, 2008	$2,348	$50,777	$306,430	($30,981)

Another component of stockholders' equity, the accumulated other comprehensive income, consists of cumulative unrealized foreign currency translation adjustments, net of taxes, a gain of $2.3 million and $2.6 million at January 27, 2008 and October 28, 2007, respectively, and an unrealized gain, net of taxes, of $46,000 and $89,000 in marketable securities at January 27, 2008 and October 28, 2007, respectively. Changes in these items, net of income taxes, are included in the calculation of comprehensive (loss) income as follows:

	Three Months Ended	
	January 27, 2008	January 28, 2007
	(In thousands)	

Net (loss) income	$(13,208)	$727
Change in fair value of minority interest	(50)	-
Foreign currency translation adjustments, net	(272)	(234)
Unrealized (loss) gain on marketable securities, net	(43)	23
Comprehensive (loss) income	$(13,573)	$516

NOTE G--Per Share Data

In calculating basic earnings per share, the dilutive effect of stock options is 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.

	Three Months Ended	
	January 27, 2008	January 28, 2007
Denominator for basic earnings per share:		
Weighted average number of shares	22,301,204	23,161,023
Effect of dilutive securities:		
Employee stock options	-	49,923
Denominator for diluted earnings per share:		
Adjusted weighted average number of shares	22,301,204	23,210,946

Options to purchase 251,111 shares of the Company's common stock were outstanding at January 27, 2008, but were not included in the computation of diluted earnings per share because the effect of inclusion would have been antidilutive. All stock options outstanding at January 28, 2007 were included in the computation.

NOTE H--Segment Disclosures

Financial data concerning the Company's sales and segment operating profit (loss) by reportable operating segment for the three months ended January 27, 2008 and January 28, 2007 are as follows:

Operating (loss) profit, a non-GAAP measure, is comprised of total net sales less cost of sales (direct costs and overhead). In computing operating (loss) profit, none of the following items have been added or deducted: general corporate expense; interest expense; fees related to sales of accounts receivable; interest income and income taxes.

General corporate expenses, a non-GAAP measure, consist of the Company's shared service centers, and include, among other items, enterprise resource planning, human resources, corporate accounting and finance, treasury, legal and executive functions. In order to leverage the Company's infrastructure, these functions are operated under a centralized management platform, providing support services throughout the organization. The costs of these functions are included within general corporate expenses as they are not directly allocable to a specific category.

Identifiable assets are those assets that are used in the Company's operations in each industry segment. Corporate assets consist principally of cash and cash equivalents, investments and investments in joint ventures. During the three months ended January 27, 2008, consolidated assets decreased by $41.6 million primarily due to a decrease in accounts receivables of the Staffing Services segment, partially offset by a decrease in the use of the Company's Securitization Program, as well as lower inventory primarily in the Telecommunications Services segment.

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

NOTE H--Segment Disclosures--Continued

	Three Months Ended	
	January 27, 2008	January 28, 2007
Net Sales:		
Staffing Services		
Staffing	$468,571	$455,095
Managed Services	296,545	294,499
Total Gross Sales	765,116	749,594
Less: Non-Recourse Managed Services	(283,312)	(282,645)
Net Staffing Services	481,804	466,949
Telephone Directory	14,668	17,643
Telecommunications Services	47,203	21,381
Computer Systems	50,783	46,532
Elimination of intersegment sales	(3,965)	(3,706)
Total Net Sales	$590,493	$548,799
Gross Profit (Loss):		
Staffing Services	$73,915	$71,435
Telephone Directory	6,436	8,031
Telecommunications Services	(4,166)	4,771
Computer Systems	26,118	24,744
Total Gross Profit	102,303	108,981
Overhead:		
Staffing Services	68,446	66,087
Telephone Directory	5,774	5,879
Telecommunications Services	14,999	5,448
Computer Systems	22,866	19,050
Total Overhead	112,085	96,464
Segment Operating Profit (Loss):		
Staffing Services	5,469	5,348
Telephone Directory	662	2,152
Telecommunications Services	(19,165)	(677)
Computer Systems	3,252	5,694
Total Segment Operating (Loss) Profit	(9,782)	12,517
General corporate expenses	(8,904)	(10,283)
Total Operating (Loss) Profit	(18,686)	2,234
Interest income and other (expense), net	(405)	(319)
Foreign exchange loss, net	(309)	(87)
Interest expense	(1,622)	(628)
(Loss) Income Before Minority Interest and Income Taxes	($21,022)	$1,200

NOTE I--Derivative Financial Instruments, Hedging and Restricted Cash

The Company enters into derivative financial instruments only for hedging purposes. All derivative financial instruments, such as interest rate swap contracts, foreign currency options and exchange contracts, are recognized in the consolidated financial statements at fair value regardless of the purpose or intent for holding the instrument. Changes in the fair value of derivative financial instruments are either recognized periodically in income or in stockholders' equity as a component of comprehensive income, depending on whether the derivative financial instrument qualifies for hedge accounting, and if so, whether it qualifies as a fair value hedge or cash flow hedge.

Generally, changes in fair values of derivatives accounted for as fair value hedges are recorded in income along with the portions of the changes in the fair values of the hedged items that relate to the hedged risks. Changes in fair values of derivatives accounted for as cash flow hedges, to the extent they are effective as hedges, are recorded in other comprehensive income, net of deferred taxes. Changes in fair values of derivatives not qualifying as hedges are reported in the results of operations. As of January 27, 2008, the Company had an outstanding foreign currency option contract in the nominal amount equivalent to $9.5 million, which approximated its net investment in foreign operations and is accounted for as a hedge under SFAS No. 52, "Foreign Currency Translation".

Restricted cash at January 27, 2008 and October 28, 2007 included $22.5 million and $25.5 million, respectively, to cover obligations that were reflected in accounts payable at that date. These amounts primarily related to certain contracts with customers, for whom the Company manages the customers' alternative staffing requirements, including the payments to associate vendors.

NOTE J--Acquisition of Businesses

In September 2007, Volt Delta, the principal business unit of the Computer Systems segment, acquired LSSi Corp. ("LSSi") by merger for $70.8 million and combined it and its DataServ division into LSSiData. The combination of Volt Delta's application development, integration and hosting expertise and LSSi's highly efficient data processing will allow Volt Delta to serve a broader base of customers by aggregating the most current and accurate business and consumer information possible. Substantially all of the merger consideration was attributable to goodwill and other intangible assets.

The Company is presently valuing the transaction to determine the final allocation of the purchase price, which is subject to finalization of certain adjustments, and is expected to be completed before the end of the fourth quarter of fiscal 2008.

The assets and liabilities of LSSi are accounted for under the purchase method of accounting at the date of acquisition at their fair values. The results of operations have been included in the consolidated statement of operations since the acquisition date.

NOTE J--Acquisition of Businesses--Continued

The preliminary purchase price allocation of the fair value of assets acquired and liabilities assumed of LSSi Corp. is as follows:

	(In thousands)
Cash	$679
Accounts receivable	5,836
Prepaid expenses and other assets	469
Property, plant and equipment	1,800

Goodwill	47,963
Intangible assets	25,860
Total Assets	82,607
Accounts payable	(1,119)
Other accrued expenses	(3,919)
Other liabilities	(1,126)
Deferred income tax	(5,651)
Total Liabilities	(11,815)
Purchase price	$70,792

In September 2007, the Company purchased for $1.5 million an 80% interest in an outsourcing and services provider that will complement existing services in the Staffing Services segment. The Company and the 20%-owner have call and put rights related to ownership commencing in fiscal 2010. The Company estimated the fair value of the call/put and recorded a liability of $60,000 as of January 27, 2008.

The following unaudited pro forma information reflects the purchase of LSSi as if the transaction had occurred in November 2006. This pro forma financial information is presented for comparative purposes only and is not necessarily indicative of the operating results that actually would have occurred had the acquisition been consummated at the beginning of fiscal 2007. In addition, these results are not intended to be a projection of future results.

	Pro Forma Results
	Three Months Ended
	January 28, 2007
	(In thousands, except per share amounts)
Net sales	$555,947
Operating income	$3,131
Net income	$3,390
Earnings per share Basic and Diluted	$0.15

NOTE K--Goodwill and Intangibles

Goodwill and intangibles with indefinite lives are subject to annual testing using fair value methodology. An impairment charge is recognized for the amount, if any, by which the carrying value of goodwill or an indefinite-lived intangible asset exceeds its estimated fair value. The test for goodwill, which is performed in the Company's second fiscal quarter, primarily uses comparable multiples of sales and EBITDA and other valuation methods to assist the Company in the determination of the fair value of the goodwill and the reporting units measured.

Intangible assets, other than goodwill and indefinite-lived intangible assets, are tested for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment loss

is recognized when the carrying amount exceeds the estimated fair value of the asset or asset group. The impairment loss is measured as the amount by which the carrying amount exceeds fair value.

The following table represents the balance of intangible assets:

	January 27, 2008		October 28, 2007	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
	(In thousands)			
Customer relationships	$44,398	$6,531	$44,398	$5,138
Existing technology	13,164	3,496	13,164	3,090
Contract backlog	3,200	1,667	3,200	1,467
Trade name (a)	2,016	-	2,016	-
Reseller network	816	213	816	187
Non-compete agreements and trademarks	325	233	325	208
Total	$63,919	$12,140	$63,919	$10,090

(a) Trade names have an indefinite life and are not amortized.

NOTE L--Primary Insurance Casualty Program

The Company is insured with a highly rated insurance company under a program that provides primary workers' compensation, employer's liability, general liability and automobile liability insurance under a loss sensitive program. In certain mandated states, the Company purchases workers' compensation insurance through participation in state funds and the experience-rated premiums in these state plans relieve the Company of additional liability. In the loss sensitive program, initial premium accruals are established based upon the underlying exposure, such as the amount and type of labor utilized, number of vehicles, etc. The Company establishes accruals utilizing actuarial methods to estimate the undiscounted future cash payments that will be made to satisfy the claims, including an allowance for incurred-but-not-reported claims. This process also includes establishing loss development factors, based on the historical claims experience of the Company and the industry, and applying those factors to current claims information to derive an estimate of the Company's ultimate premium liability. In preparing the estimates, the Company also considers the nature and severity of the claims, analyses provided by third party actuaries, as well as current legal, economic and regulatory factors. The insurance policies have various premium rating plans that establish the ultimate premium to be paid. Adjustments to premium are made based upon the level of claims incurred at a future date up to three years after the end of the respective policy period. At January 27, 2008, the Company's net prepaid for the outstanding plan years was $16.0 million compared to $26.0 million at October 28, 2007.

NOTE M--Incentive Stock Plans

The Non-Qualified Option Plan adopted by the Company in fiscal 1995 terminated on May 16, 2005 except for options previously granted under the plan. Unexercised options expire ten years after grant. Outstanding options at January 27, 2008 were granted at 100% of the market price on the date of grant and become fully vested within one to five years after the grant date.

As a result of adopting SFAS No. 123R, the Company recorded compensation expense of $7,000 and $14,000 for the three-month period ended January 27, 2008 and January 28, 2007, respectively. Compensation expense is recognized in the selling and administrative expenses in the Company's statement of operations on a straight-line basis over the vesting periods. Basic and dilutive net income per share for the three-month ended January 27, 2008 and January 28, 2007 would not have been different if the Company had not adopted SFAS No. 123R, compared to the reported basic and dilutive net (loss) income per share of ($0.59) and $0.03, respectively. As of January 27, 2008, there was $24,000 of total

unrecognized compensation cost related to non-vested share-based compensation arrangements to be recognized over a weighted average period of 0.6 years.

There were no options exercised under the 1995 Plan during the three-month period ended January 27, 2008. The intrinsic value of options exercised during the three-month period ended January 28, 2007 was $0.6 million. The total cash received from the exercise of stock options was $0.3 million in the three-month period ended January 28, 2007 and is classified as financing cash flows in the statement of cash flows. The actual tax benefit realized from the exercise of stock options for the three-month period ended January 28, 2007 was $0.2 million.

In April 2007, the shareholders of the Company approved the Volt Information Sciences, Inc. 2006 Incentive Stock Plan ("2006 Plan"). The 2006 Plan permits the grant of Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock and Restricted Stock Units to employees and non-employee directors of the Company through September 6, 2016. The maximum aggregate number of shares that may be issued pursuant to awards made under the 2006 Plan shall not exceed one million five hundred thousand (1,500,000) shares.

On December 18, 2007, the Company granted to employees (i) 233,000 restricted stock units and (ii) non-qualified stock options to purchase 152,996 shares of the Company's common stock at $13.32 per share under the 2006 Plan. If certain net income targets are met in fiscal years 2007 through 2011, the restricted stock units begin to vest over a five-year period through 2016. Similarly, if net income targets are met in fiscal years 2008 through 2012, substantially all the stock options will vest over a four-year period and expire on December 17, 2017. Compensation expense of $29,000 is recognized in the selling and administrative expenses in the Company's condensed consolidated statement of operations for the three-month period ended January 27, 2008 on a straight-line basis over the vesting period. As of January 27, 2008, there was $ 4.4 million of total unrecognized compensation cost related to non-vested share-based compensation arrangements to be recognized over a weighted average period of seven years.

The fair value of each option grant is estimated using the Multiple Black-Scholes option pricing model, with the following weighted-average assumptions used for grants in three-month period ended January 27, 2008: risk-free interest rates of 4.1%; expected volatility of 0.47; an expected life of the options of ten years; and no dividends. The weighted average fair value of stock options granted during this period was $8.38.

NOTE N--Income Taxes

Effective October 29, 2007, the Company adopted the provisions of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes-an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The adoption of the provisions of FIN 48 did not have a material impact on the Company's consolidated financial position and results of operations.

At October 29, 2007, the Company had a liability for unrecognized tax benefits of $0.9 million which includes an accrual of $0.1 million of related interest.

The Company's policy is that interest and penalties are recorded as a component of income tax expense.

The Company is subject to taxation in the US, various states and various foreign jurisdictions. With few exceptions, the Company is generally no longer subject to examination by the United States federal, state, local or non-U.S. income tax examination by tax authorities for years before fiscal 2002. The following describes the open tax years, by major tax jurisdiction, as of October 29, 2007:

United States-Federal	2004-present
United States-State	2003-present

Canada	2002-present
Germany	2005-present
United Kingdom	2006-present

The Company's policy is to accrue interest in the period during which it is deemed to have been incurred, based on the difference between the tax position recognized in the financial statements and the amount previously claimed (or expected to be claimed) on the tax return. In addition, if the Company is subject to penalties because of this, a liability for the penalties is recognized in the period in which the penalties are deemed to have been incurred.

NOTE O--Restructuring

During the first quarter of fiscal 2008, the Company recorded a pre-tax restructuring charge of approximately $1.5 million ($0.9 million net of taxes, or $0.04 per share) related to the elimination of employee positions in Europe and North America. The workforce reduction at Volt Delta resulted from the integration of LSSiData into the segment's database access line of business. The restructuring charge consists solely of severance and termination benefits for the effected employees and is presented on a separate line item in the Company's condensed consolidated statement of operations. The accrual for the restructuring charge is expected to be paid by the end of the second quarter of fiscal 2008, is included in accrued wages and commissions on the Company's condensed consolidated balance sheets and amounted to approximately $1.4 million at January 27, 2008.

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

Overview
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Management's discussion and analysis of financial condition and results of operations ("MD&A") is provided as a supplement to our consolidated financial statements and notes thereto included in Part I of this Form 10-Q and to provide an understanding of our consolidated results of operations, financial condition and changes in financial condition. Our MD&A is organized as follows:

- Forward-Looking Statements - This section describes some of the language and assumptions used in this document that may have an impact on the readers' interpretation of the financial statements.

- Critical Accounting Policies - This section discusses those accounting policies that are considered to be both important to our financial condition and results of operations and require us to exercise subjective or complex judgments in their application.

- Summary of Operating Results by Segment - This section provides a summary of operating results by segment in a tabular format.

- Executive Overview - This section provides a general description of our business segments and provides a brief overview of the results of operations during the accounting period.

- Results of Operations - This section provides our analysis of the line items on our summary of operating results by segment for the current and comparative accounting periods on both a company-wide and segment basis. The analysis is in both a tabular and narrative format.

- Liquidity and Capital Resources - This section provides an analysis of our liquidity and cash flows, as well as our discussion of our commitments, securitization program and credit lines.

- New Accounting Pronouncements - This section includes a discussion of recently published accounting authoritative literature that may have an impact on our historical or prospective results of operations or financial condition.

- Related Person Transactions - This section describes any business relationships, or transaction or series of similar transactions between the Company and its directors, executive officers, shareholders (with a 5% or greater interest in the Company), or any entity in which an executive officer has more than a 10% equity ownership interest, as well as members of the immediate families of any of the foregoing persons during the first quarter of fiscal year 2007 and 2008. Excluded from the transactions are employment compensation and directors' fees.

Forward-Looking Statements

This report and other reports and statements issued by the Company and its officers from time to time contain certain "forward-looking statements." Words such as "may," "should," "likely," "could," "seek," "believe," "expect," "anticipate," "estimate," "project," "intend," "strategy," "design to," and similar expressions are intended to identify forward-looking statements about the Company's future plans, objectives, performance, intentions and expectations. These forward-looking statements are subject to a number of known and unknown risks and uncertainties including, but are not limited to, those set forth in the Company's Annual Report on Form 10-K, in this Form 10-Q and in the Company's press releases and other public filings. Such risks and uncertainties could cause the Company's actual results, performance and achievements to differ materially from those described in or implied by the forward-looking statements. Accordingly, readers should not place undue reliance on any forward-looking statements made by or on behalf of the Company. The Company does not assume any obligation to update any forward-looking statements after the date they are made.

Critical Accounting Policies

Management's discussion and analysis of its financial position and results of operations are based upon the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates, judgments, assumptions and valuations that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures. Future reported results of operations could be impacted if the Company's estimates, judgments, assumptions or valuations made in earlier periods prove to be wrong. Management believes the critical accounting policies and areas that require the most significant estimates, judgments, assumptions or valuations used in the preparation of the Company's financial statements are as follows:

Revenue Recognition - The Company derives its revenues from several sources. The revenue recognition methods, which are consistent with those prescribed in Staff Accounting Bulletin 104 ("SAB 104"), "Revenue Recognition in Financial Statements," are described below in more detail for the significant types of revenue within each of its segments. Revenue is generally recognized when persuasive evidence of an arrangement exists, we have delivered the product or performed the service, the fee is fixed and determinable and collectibility is probable. The determination of whether and when some of the criteria below have been satisfied sometimes involves assumptions and judgments that can have a significant impact on the timing and amount of revenue we report.

Staffing Services:

Staffing: Sales are derived from the Company's Staffing Solutions Group supplying its own temporary personnel to its customers, for which the Company assumes the risk of acceptability of its employees to its customers, and has credit risk for collecting its billings after it has paid its employees. The Company reflects revenues for these services on a gross basis in the period the services are rendered. In the first three months of fiscal 2008, this revenue comprised approximately 74% of the Company's net consolidated sales.

Managed Services: Sales are generated by the Company's E-Procurement Solutions subsidiary, ProcureStaff, for which the Company receives an administrative fee for arranging for, billing for and collecting the billings related to staffing companies ("associate vendors") who have supplied personnel to the Company's customers. The administrative fee is either charged to the customer or subtracted from the Company payment to the associate vendor. The customer is typically responsible for assessing the work of the associate vendor, and has responsibility for the acceptability of its personnel, and in most instances the customer and associate vendor have agreed that the Company does not pay the associate vendor until the customer pays the Company. Based upon the revenue recognition principles prescribed in Emerging Issues Task Force ("EITF") 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent," revenue for these services, where the customer and the associate vendor have agreed that the Company is not at risk for payment, is recognized net of associated costs in the period the services are rendered. In addition, sales for certain contracts generated by the Company's Staffing Solutions Group's managed services operations have similar attributes. In the first three months of fiscal 2008, this revenue comprised approximately 2% of the Company's net consolidated sales.

Critical Accounting Policies--Continued
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Outsourced Projects: Sales are derived from the Company's Information Technology Solutions operation providing outsource services for a customer in the form of project work, for which the Company is responsible for deliverables, in accordance with the American Institute of Certified Public Accountants ("AICPA") Statement of Position ("SOP") 81-1, "Accounting for Performance of Construction-Type Contracts" The Company's employees perform the services and the Company has credit risk for collecting its billings. Revenue for these services is recognized on a gross basis in the period the services are rendered when on a time and material basis, and when the Company is responsible for project completion, revenue is recognized when the project is complete and the customer has approved the work. In the first three months of fiscal 2008, this revenue comprised approximately 6% of the Company's net consolidated sales.

Telephone Directory:

Directory Publishing: Sales are derived from the Company's sales of telephone directory advertising for books it publishes as an independent publisher in the United States and Uruguay. The Company's employees perform the services and the Company has credit risk for collecting its billings. Revenue for these services is recognized on a gross basis in the period the books are printed and delivered. In the first three months of fiscal 2008, this revenue comprised approximately 1% of the Company's net consolidated sales.

Ad Production and Other: Sales are generated when the Company performs design, production and printing services, and database management for other publishers' telephone directories. The Company's employees perform the services and the Company has credit risk for collecting its billings. Revenue for these services is recognized on a gross basis in the period the Company has completed its production work and upon customer acceptance. In the first three months of fiscal 2008, this revenue comprised approximately 1% of the Company's net consolidated sales.

Telecommunications Services:

Construction: Sales are derived from the Company supplying aerial and underground construction services. The Company's employees perform the services, and the Company takes title to all inventory, and has credit risk for collecting its billings. The Company relies upon the principles in SOP 81-1, using the completed-contract method, to recognize revenue on a gross basis upon customer acceptance of the project or by the percentage-of-completion method, when applicable. In the first three months of fiscal 2008, this revenue comprised approximately 6% of the Company's net consolidated sales.

Non-Construction: Sales are derived from the Company performing design, engineering and business systems integrations work. The Company's employees perform the services and the Company has credit risk for collecting its billings. Revenue for these services is recognized on a gross basis in the period in which services are performed, and, if applicable, any completed units are delivered and accepted by the customer. In the first three months of fiscal 2008, this revenue comprised approximately 2% of the Company's net consolidated sales.

Computer Systems:

Database Access: Sales are derived from the Company granting access to its proprietary telephone listing databases to telephone companies, inter-exchange carriers and non-telco enterprise customers. The Company uses its own databases and has credit risk for collecting its billings. The Company recognizes revenue on a gross basis in the period in which the customers access the Company's databases. In the first three months of fiscal 2008, this revenue comprised approximately 3% of the Company's net consolidated sales.

Critical Accounting Policies--Continued

IT Maintenance: Sales are derived from the Company providing hardware maintenance services to the general business community, including customers who have our systems, on a time and material basis or a contract basis. The Company uses its own employees and inventory in the performance of the services, and has credit risk for collecting its billings. Revenue for these services is recognized on a gross basis in the period in which the services are performed, contingent upon customer acceptance when on a time and material basis, or over the life of the contract, as applicable. In the first three months of fiscal 2008, this revenue comprised approximately 2% of the Company's net consolidated sales.

Telephone Systems: Sales are derived from the Company providing telephone operator services-related systems and enhancements to existing systems, equipment and software to customers. The Company uses its own employees and has credit risk for collecting its billings. The Company relies upon the principles in SOP 97-2 "Software Revenue Recognition" and EITF 00-21, "Revenue Arrangements with Multiple Deliverables" to recognize revenue on a gross basis upon customer acceptance of each part of the system based upon its fair value or by the use of the percentage-of-completion method, when applicable. In the first three months of fiscal 2008, this revenue comprised approximately 3% of the Company's net consolidated sales.

For those contracts accounted for under SOP 81-1, the Company records provisions for estimated losses on contracts when losses become evident.

Accumulated unbilled costs on contracts are carried in inventory at the lower of actual cost or estimated realizable value.

Allowance for Uncollectible Accounts - The establishment of an allowance requires the use of judgment and assumptions regarding potential losses on receivable balances. Allowances for accounts receivable are maintained based upon historical payment patterns, aging of accounts receivable and actual write-off history. The Company also makes judgments about the creditworthiness of significant customers based upon ongoing credit evaluation, and might assess current economic trends that might impact the level of credit losses in the future. However, since a reliable prediction of future changes in the financial stability of customers is not possible, the Company cannot guarantee that allowances will continue to be adequate. If actual credit losses are significantly higher or lower than the allowance established, it would require a related charge or credit to earnings.

Goodwill - Under Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," goodwill and indefinite-lived intangible assets are subject to annual impairment testing using fair value methodologies. The Company performs its annual impairment testing during its second fiscal quarter, or more frequently if indicators of impairment arise. The timing of the

impairment test may result in charges to earnings in the second fiscal quarter that could not have been reasonably foreseen in prior periods. The testing process includes the comparison of the Company's business units' multiples of sales and EBITDA to those multiples of its business units' competitors. If these estimates or their related assumptions change in the future as a result of changes in strategy and/or market conditions, the Company may be required to record an impairment charge in the future.

Critical Accounting Policies--Continued
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Long-Lived Assets - Property, plant and equipment are recorded at cost, and depreciation and amortization are provided on the straight-line or accelerated methods at rates calculated to allocate the cost of the assets over their period of use. Intangible assets, other than goodwill and indefinite-lived intangible assets, and property, plant and equipment are reviewed for impairment in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." Under SFAS No. 144, these assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; the accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and a current expectation that the asset will more likely than not be sold or disposed of significantly before the end of its estimated useful life. Recoverability is assessed based on the carrying amount of the asset and the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset or asset group. An impairment loss is recognized when the carrying amount exceeds the estimated fair value of the asset or asset group. The impairment loss is measured as the amount by which the carrying amount exceeds fair value.

Capitalized Software - The Company's software technology personnel are involved in the development and acquisition of internal-use software to be used in its Enterprise Resource Planning system and software used in its operating segments, some of which are customer accessible. The Company accounts for the capitalization of software in accordance with SOP No. 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." Subsequent to the preliminary project planning and approval stage, all appropriate costs are capitalized until the point at which the software is ready for its intended use. Subsequent to the software being used in operations, the capitalized costs are transferred from costs-in-process to completed property, plant and equipment, and are accounted for as such. All post-implementation costs, such as maintenance, training and minor upgrades that do not result in additional functionality, are expensed as incurred. The capitalization process involves judgment as to what types of projects and tasks are capitalizable. Although the Company believes the decisions made in the past concerning the accounting treatment of these software costs have been reasonable and appropriate, different decisions could materially impact financial results.

Income Taxes - Estimates of Effective Tax Rates, Deferred Taxes and Valuation Allowance - When the financial statements are prepared, the Company estimates its income taxes based on the various jurisdictions in which business is conducted. Significant judgment is required in determining the Company's worldwide income tax provision. Liabilities for anticipated tax audit issues in the United States and other tax jurisdictions are based on estimates of whether, and the extent to which, additional taxes will be due. The recognition of these provisions for income taxes is recorded in the period in which it is determined that such taxes are due. If in a later period it is determined that payment of this additional amount is unnecessary, a reversal of the liability is recognized. As a result, the ongoing assessments of the probable outcomes of the audit issues and related tax positions require judgment and can materially increase or decrease the effective tax rate and materially affect the Company's operating results. This also requires the Company to estimate its current tax exposure and to assess temporary differences that result from differing

treatments of certain items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are reflected on the balance sheet. The Company must then assess the likelihood that its deferred tax assets will be realized. To the extent it is believed that realization is not likely, a valuation allowance is established. When a valuation allowance is increased or decreased, a corresponding tax expense or benefit is recorded in the statement of operations.

Critical Accounting Policies--Continued
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Securitization Program - The Company accounts for the securitization of accounts receivable in accordance with SFAS No. 156, "Accounting for Transfers and Servicing of Financial Assets, an amendment of SFAS No. 140." At the time a participation interest in the receivables is sold, that interest is removed from the consolidated balance sheet. The outstanding balance of the undivided interest sold to Three Rivers Funding Corporation ("TRFCO"), an asset backed commercial paper conduit sponsored by Mellon Bank, N.A, was $100.0 million and $120.0 million at January 27, 2008 and October 28, 2007, respectively. Accordingly, the trade receivables included on the January 27, 2008 and October 28, 2007 balance sheets have been reduced to reflect the participation interest sold. TRFCO has no recourse to the Company (beyond its interest in the pool of receivables owned by Volt Funding Corp., a wholly-owned special purpose subsidiary of the Company) for any of the sold receivables.

Primary Casualty Insurance Program - The Company is insured with a highly rated insurance company under a program that provides primary workers' compensation, employer's liability, general liability and automobile liability insurance under a loss sensitive program. In certain mandated states, the Company purchases workers' compensation insurance through participation in state funds, and the experience-rated premiums in these state plans relieve the Company of any additional liability. In the loss sensitive program, initial premium accruals are established based upon the underlying exposure, such as the amount and type of labor utilized, number of vehicles, etc. The Company establishes accruals utilizing actuarial methods to estimate the future cash payments that will be made to satisfy the claims, including an allowance for incurred-but-not-reported claims. This process also includes establishing loss development factors, based on the historical claims experience of the Company and the industry, and applying those factors to current claims information to derive an estimate of the Company's ultimate premium liability. In preparing the estimates, the Company considers the nature and severity of the claims, analyses provided by third party actuaries, as well as current legal, economic and regulatory factors. The insurance policies have various premium rating plans that establish the ultimate premium to be paid. Adjustments to premiums are made based upon the level of claims incurred at a future date up to three years after the end of the respective policy period. For each policy year, management evaluates the accrual, and the underlying assumptions, regularly throughout the year and makes adjustments as needed. The ultimate premium cost may be greater or less than the established accrual. While management believes that the recorded amounts are adequate, there can be no assurances that changes to management's estimates will not occur due to limitations inherent in the estimation process. In the event it is determined that a smaller or larger accrual is appropriate, the Company would record a credit or a charge to cost of services in the period in which such determination is made.

Medical Insurance Program -The Company is self-insured for the majority of its medical benefit programs. The Company remains insured for a portion of its medical program (primarily HMOs) as well as the entire dental program. The Company provides the self-insured medical benefits through an arrangement with a third party administrator. However, the liability for the self-insured benefits is limited by the purchase of stop loss insurance. The contributed and withheld funds and related liabilities for the self-insured program together with unpaid premiums for the insured programs are held in a 501(c)9 employee welfare benefit trust. These amounts, other than the current provisions, do not appear on the balance sheet of the Company. In order to establish the self-insurance reserves, the Company utilized actuarial estimates of expected losses based on statistical analyses of historical data. The provision for future payments is initially adjusted by the enrollment levels in the various plans. Periodically, the

resulting liabilities are monitored and will be adjusted as warranted by changing circumstances. Should the amount of claims occurring exceed what was estimated or medical costs increase beyond what was expected, liabilities might not be sufficient, and additional expense may be recorded by the Company.

THREE MONTHS ENDED JANUARY 27, 2008 COMPARED TO THE THREE MONTHS ENDED JANUARY 28, 2007

The information, which appears below, relates to current and prior periods, the results of operations for which periods are not indicative of the results which may be expected for any subsequent periods.

	Three Months Ended	
	January 27, 2008	January 28, 2007
Net Sales:		
Staffing Services		
Staffing	$468,571	$455,095
Managed Services	296,545	294,499
Total Gross Sales	765,116	749,594
Less: Non-Recourse Managed Services	(283,312)	(282,645)
Net Staffing Services	481,804	466,949
Telephone Directory	14,668	17,643
Telecommunications Services	47,203	21,381
Computer Systems	50,783	46,532
Elimination of intersegment sales	(3,965)	(3,706)
Total Net Sales	$590,493	$548,799
Gross Profit (Loss):		
Staffing Services	$73,915	$71,435
Telephone Directory	6,436	8,031
Telecommunications Services	(4,166)	4,771
Computer Systems	26,118	24,744
Total Gross Profit	102,303	108,981
Overhead:		
Staffing Services	68,446	66,087
Telephone Directory	5,774	5,879
Telecommunications Services	14,999	5,448
Computer Systems	22,866	19,050
Total Overhead	112,085	96,464
Segment Operating Profit (Loss):		
Staffing Services	5,469	5,348
Telephone Directory	662	2,152
Telecommunications Services	(19,165)	(677)
Computer Systems	3,252	5,694
Total Segment Operating (Loss) Profit	(9,782)	12,517
General corporate expenses	(8,904)	(10,283)
Total Operating (Loss) Profit	(18,686)	2,234

Interest income and other (expense), net	(405)	(319)
Foreign exchange loss, net	(309)	(87)
Interest expense	(1,622)	(628)
(Loss) Income Before Minority Interest and Income Taxes	($21,022)	$1,200

EXECUTIVE OVERVIEW

Volt Information Sciences, Inc. ("Volt") is a leading national provider of staffing services and telecommunications and information solutions with a material portion of its revenue coming from Fortune 100 customers. The Company operates in four segments and the management discussion and analysis addresses each. A brief description of these segments and the predominant source of their sales follow:

Staffing Services: This segment is divided into three major functional areas and operates through a network of over 300 branch offices.

- Staffing Solutions provides a full spectrum of managed staffing, temporary/contract personnel employment, and workforce solutions. This functional area is comprised of the Technical Placement ("Technical") division and the Administrative and Industrial ("A&I") division. The employees and contractors on assignment are usually on the payroll of the Company for the length of their assignment, but this functional area also uses employees and subcontractors from other staffing providers ("associate vendors") when necessary. This functional area also provides direct placement services and, upon requests from customers, will allow the customer to convert the temporary employees to permanent customer positions. In addition, the Company's Recruitment Process Outsourcing ("RPO") services deliver end-to-end hiring solutions to customers. The Technical division provides skilled employees, such as computer and other IT specialties, engineering, design, scientific and technical support. The A&I division provides administrative, clerical, office automation, accounting and financial, call center and light industrial personnel. Employee assignments in the Technical division assignments usually last from weeks to months, while in the A&I division the assignments are generally shorter.

- E-Procurement Solutions provides global vendor neutral human capital acquisition and management solutions by combining web-based tools and business process outsourcing services. The employees and contractors on assignment are usually from associate vendor firms, although at times, Volt recruited contractors may be selected to fill some assignments, but in those cases Volt competes on an equal basis with other unaffiliated firms. The skill sets utilized in this functional area closely match those of the Technical assignments within the Staffing Solutions area. The Company receives a fee for managing the process, and the revenue for such services is recognized net of its associated costs. This functional area, which is part of the Technical division, is comprised of the ProcureStaff operation.

- Information Technology Solutions provides a wide range of services including consulting, outsourcing and turnkey project management in the product development lifecycle, IT and customer contact markets. Offerings include electronic game testing, hardware and software testing, technical communications, technical call center support, data center management, enterprise

technology implementation and integration and corporate help desk services. This functional area offers higher margin project-oriented services to its customers and assumes greater responsibility for the finished product in contrast to the other areas within the segment. This functional area, which is part of the Technical division, is comprised of the VMC Consulting operation.

EXECUTIVE OVERVIEW--Continued
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Telephone Directory: This segment publishes independent telephone directories and provides telephone directory production services, database management and printing. Most of the revenues of this segment are derived from the sales of telephone directory advertising for the books it publishes. This segment is comprised of the DataNational directory publishing operation, the Uruguay directory publishing and printing operations, and other domestic directory production locations.

Telecommunications Services: This segment provides a full spectrum of voice, data and video turnkey solutions for government and private sectors, encompassing engineering, construction, installation and maintenance services. These services include outside plant engineering and construction, central office network solutions, integrated technologies, global solutions (structured cabling, field dispatch, installation and repair, security access control and maintenance), government solutions and wireless solutions. This segment is comprised of the Construction and Engineering division and the Network Enterprise Solutions division.

Computer Systems: This segment provides directory and operator systems and services primarily for the telecommunications industry and provides IT maintenance services. The segment also sells information service systems to its customers and, in addition, provides an Application Service Provider ("ASP") model which also provides information services, including infrastructure and database content, on a transactional fee basis. It also provides third-party IT and data services to others. This segment is comprised of Volt Delta Resources, Volt Delta International, LSSiData and the Maintech computer maintenance division.

The Company's operating segments have been determined in accordance with the Company's internal management structure, which is based on operating activities. The Company evaluates performance based upon several factors, of which the primary financial measure is segment operating profit. The Company defines operating (loss) profit, a non-GAAP measure, as total net sales less cost of sales (direct costs and overhead). In computing operating (loss) profit, none of the following items have been added or deducted: general corporate expense; interest expense; fees related to sales of accounts receivable; interest income and income taxes. Operating profit provides management, investors and equity analysts a measure to analyze operating performance of each business segment against historical and competitors' data, although historical results, including operating profit, may not be indicative of future results, as operating profit is highly contingent on many factors, including the state of the economy and customer preferences.

General corporate expenses, a non-GAAP measure, consist of the Company's shared service centers, and include, among other items, enterprise resource planning, human resources, corporate accounting and finance, treasury, legal and executive functions. In order to leverage the Company's infrastructure, these functions are operated under a centralized management platform, providing support services throughout the organization. The costs of these functions are included within general corporate expenses as they are not directly allocable to a specific category.

Several historical seasonal factors usually affect the sales and profits of the Company. The Staffing Services segment's sales and operating profit are always lowest in the Company's first fiscal quarter due to the Thanksgiving, Christmas and New Year holidays, as well as certain customer facilities closing for one to two weeks. During the third and fourth quarters of the fiscal year, this segment benefits from a reduction of payroll taxes when the annual tax contributions for higher salaried employees have been met, and customers increase the use of the Company's administrative and industrial labor during the summer vacation period.

EXECUTIVE OVERVIEW--Continued
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In addition, the Telephone Directory segment's DataNational division publishes more directories during the second half of the fiscal year.

In the first quarter of fiscal 2008, the Company's consolidated net sales totaled $590.5 million and it sustained a consolidated segment operating loss totaling $9.8 million. The explanations by segment are detailed below.

The sales of the Staffing Services segment, in addition to the factors noted above, were positively impacted by a continued increase in the use of contingent staffing in the Technical Placement division, as net sales increased by $14.9 million. Despite the sales increase, operating profit of the segment for the current quarter was only $0.1 million higher than in the comparable quarter of fiscal 2007 as gross margins and overhead costs as a percentage of sales remained the same.

The Telephone Directory segment's sales decreased by $2.9 million and the operating profit decreased by $1.5 million in the current fiscal quarter from the comparable quarter of fiscal 2007. The decrease in operating profit was predominantly due to the sales decrease and a decrease in gross margin percentages due to the mix of telephone directories delivered in the quarter.

The Telecommunications Services segment sales increased by $25.8 million, however, operating loss increased by $18.5 million from the comparable quarter in fiscal 2007. In late January 2008, the Company learned that it may not be reimbursed for certain costs under an installation contract and the Company has revalued its reserves to include this uncertainty. The increase in operating loss was due to the establishment of a $19.3 million reserve for certain costs included in inventory related to work performed and for additional costs expected to be incurred to complete that work under that installation contract.

The Computer Systems segment's sales increased by $4.3 million while its operating profits decreased by $2.4 million from the comparable quarter of fiscal 2007. The decrease in operating profit was due to the increased overhead cost as a result of the acquisition of LSSi, which included $1.5 million of severance costs and increased amortization of intangible costs related to the acquisition.

The Company has focused, and will continue to focus, on aggressively increasing its market share while attempting to maintain margins in order to increase profits. Despite an increase in costs to solidify and expand their presence in their respective markets, the segments have emphasized cost containment measures, along with improved credit and collections procedures designed to improve the Company's cash flow.

RESULTS OF OPERATIONS
- ---------------------

The information that appears below relates to prior periods. The results of operations for those periods are not necessarily indicative of the results which may be expected for any subsequent period. The following discussion should be read in conjunction with the Consolidated Financial Statements and Notes thereto

which appear in Item 1 of this Report.

RESULTS OF OPERATIONS - SUMMARY
- -------------------------------

In the first fiscal quarter of fiscal 2008, consolidated net sales increased by $41.7 million, or 8%, to $590.5 million, from the comparable quarter of fiscal 2007. The increase in the current quarter's net sales resulted from increases in Staffing Services of $14.9 million, Telecommunications Services of $25.8 million and Computer Systems of $4.3 million, partially offset by a decrease in Telephone Directory of $2.9 million.

RESULTS OF OPERATIONS - SUMMARY--Continued
- -------------------------------

Cost of sales increased to $572.7 million, or 97% of sales, in the first quarter of fiscal 2008 from $513.1 million, or 93%, of sales in the comparable quarter of fiscal 2007. In late January 2008, the Company learned that it may not be reimbursed for certain costs under an installation contract in the Telecommunications Services segment and the Company has revalued its reserves to include this uncertainty. The increase in cost of sales as a percentage of sales is primarily due to the $19.3 million loss reserve established in the first quarter of fiscal 2008 for certain costs included in inventory related to work performed and for additional costs expected to be incurred to complete that work under that contract. Excluding this reserve, cost of sales would have been $553.4 million, or 94% of sales, which is comparable to the prior period.

The Company reported an operating loss of $18.7 million in the current quarter, as compared to an operating profit of $2.2 million in the comparable quarter of fiscal 2007 due to a decrease in segment operating profit of $22.3 million, or 178%, partially offset by a decrease in general corporate expenses of $1.4 million, or 13%. The segment operating loss of $9.8 million was attributable to the decreased operating profits of the Telecommunications Services segment of $18.5 million, the Computer Systems segment of $2.4 million, the Telephone Directory segment of $1.5 million, partially offset by an increase in the Staffing Services segment of $0.1 million.

The Company's pre-tax loss before minority interest for the current quarter was $21.0 million compared to an income of $1.2 million in the comparable quarter of fiscal 2007.

The net loss in the current quarter of fiscal 2008 was $13.2 million compared to a net income of $0.7 million in the comparable quarter of fiscal 2007.

RESULTS OF OPERATIONS - BY SEGMENT
- ----------------------------------

STAFFING SERVICES
- -----------------
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	Three Months Ended					
	January 27, 2008		January 28, 2007			
Staffing Services (Dollars in Millions)	Dollars	% of Net Sales	Dollars	% of Net Sales	Favorable (Unfavorable) $ Change	Favorable (Unfavorable % Change
Staffing Sales (Gross)	$468.6		$455.1		$13.5	3.0%

Managed Service Sales (Gross)	$296.5		$294.5		$2.0	0.7%
Sales (Net) *	$481.8		$466.9		$14.9	3.2%
Gross Profit	$73.9	15.3%	$71.4	15.3%	$2.5	3.5%
Overhead	$68.5	14.2%	$66.1	14.2%	($2.4)	(3.6%)
Operating Profit	$5.4	1.1%	$5.3	1.1%	$0.1	1.9%

*Sales (Net) only includes the gross margin on managed service sales.
</TABLE>

The increase in net sales of the Staffing Services segment in the first quarter of fiscal 2008 from the comparable quarter in fiscal 2007 was comprised of a $15.9 million, or 5%, increase in net Technical sales, partially offset by a decrease of $1.0 million, or 1%, in net A&I sales. Foreign generated net sales for the current quarter

increased by 47% from the comparable 2007 fiscal quarter, and accounted for 7% of total net Staffing Services sales for the current quarter. On a constant currency basis, foreign sales increased by 40% from the comparable 2007 fiscal quarter.

The slight increase in operating profit was comprised of an increase of $2.7 million in the A&I division, with a decrease of $2.6 million in the Technical division. The gross margin percentage and overhead percentage approximated the comparable 2007 fiscal quarter's percentages. In the current quarter, permanent placement and RPO sales represented 2% of the segment's net sales compared to 1% in the comparable quarter of fiscal 2007.
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Technical Placement Division (Dollars in Millions)	Three Months Ended January 27, 2008 Dollars	% of Net Sales	January 28, 2007 Dollars	% of Net Sales	Favorable (Unfavorable) $ Change	Favorable (Unfavorable) % Change
Sales (Gross)	$604.5		$587.9		$16.6	2.8%
Sales (Net)	$328.0		$312.1		$15.9	5.1%
Gross Profit	$49.6	15.1%	$47.9	15.4%	$1.7	3.6%
Overhead	$44.9	13.7%	$40.6	13.1%	($4.3)	(10.6%)
Operating Profit	$4.7	1.4%	$7.3	2.3%	($2.6)	(35.3%)

*Sales (Net) only includes the gross margin on managed service sales.
</TABLE>

The Technical division's increase in gross sales in the current quarter of fiscal 2008 from the comparable prior year quarter included increases of approximately $12 million of sales to new customers, or customers with substantial increased business, as well as $14 million attributable to net

increases in sales to continuing customers. This was partially offset by sales decreases of approximately $9 million from customers whose business with the Company either ceased or was substantially lower than in the comparable quarter of fiscal 2007. The Technical Placement division's increase in net sales in the first quarter of fiscal 2008 from the comparable quarter in fiscal 2007 was comprised of increases of $11.3 million, or 4%, in traditional alternative staffing, $2.7 million, or 9%, in VMC Consulting project management and consulting sales, and $1.9 million, or 19%, in net managed service associate vendor sales.

The decrease in the operating profit was the result of the decrease in gross margin percentage and the increase in overhead in dollars and as a percentage of net sales, partially offset by the increase in sales. The decrease in gross margin was primarily due to the decrease in the gross margins in VMC Consulting due to losses on two projects. The increase in overhead in the current fiscal quarter was a result of increased indirect labor at VMC and the European operation, startup costs in the current quarter at VMC for a few new projects, and a gain on the settlement of a vendor dispute in the comparable 2007 quarter, partially offset by a reduction in the current quarter of $0.8 million in health insurance costs due to improved claims experience. The increase in indirect labor costs of 11% from the comparable fiscal quarter, was primarily related to new projects within VMC and the sales growth in Europe.

THREE MONTHS ENDED JANUARY 27, 2008 COMPARED
TO THE THREE MONTHS ENDED JANUARY 28, 2007--Continued

STAFFING SERVICES--Continued

<TABLE>
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Administrative & Industrial Division (Dollars in Millions)	January 27, 2008 Dollars	% of Net Sales	January 28, 2007 Dollars	% of Net Sales	Favorable (Unfavorable) $ Change	Favorable (Unfavorable) % Change
Sales (Gross)	$160.6		$161.7		($1.1)	(0.7%)
Sales (Net)	$153.8		$154.8		($1.0)	(0.7%)
Gross Profit	$24.3	15.8%	$23.5	15.2%	$0.8	3.3%
Overhead	$23.6	15.3%	$25.5	16.5%	$1.9	7.6%
Operating Profit (Loss)	$0.7	0.5%	($2.0)	(1.3%)	$2.7	138.2%

*Sales (Net) only includes the gross margin on managed service sales.
</TABLE>

The A&I division's decrease in gross sales in the current quarter of fiscal 2008 from the comparable quarter of fiscal 2007 included a decline of approximately $5 million of sales to customers which the Company either ceased or substantially reduced servicing in the current year, as well as $7 million attributable to net decreases in sales to continuing customers. This was partially offset by growth of $11 million from new customers, or customers whose business with the Company in the comparable fiscal quarter was substantially below the current quarter's volume.

The improved operating results were the result of the increased gross margin percentage and the decrease in overhead in dollars and as a percentage of sales, partially offset by the decrease in sales. The increase in gross margin percentage was primarily due to a 0.4 percentage point reduction in payroll

taxes. This reduction in two of A&I's more significant states is expected to continue throughout the remainder of the fiscal year. The decrease in overhead costs from the comparable quarter in fiscal 2007 primarily resulted from the closure of eight underperforming branches, and the related reduction in indirect labor headcount by 8%. The division is focused on reducing overhead costs to compensate for lower sales. In each of the past three quarters, the overhead costs have been lower than the comparable prior fiscal year quarters.

Although the markets for the segment's services include a broad range of industries throughout the United States, Europe and Asia, general economic difficulties in specific geographic areas or industrial sectors have in the past and could in the future affect the profitability of the segment. Much of the segment's business is obtained through submission of competitive proposals for staffing services and other contracts which are frequently re-bid after expiration. Many of this segment's long-term contracts contain cancellation provisions under which the customer can cancel the contract, even if the segment is not in default under the contract, and generally do not provide for a minimum amount of work to be awarded to the segment. While the Company has historically secured new contracts and believes it can secure renewals and/or extensions of most of these contracts, some of which are material to this segment, and obtain new business, there can be no assurance that contracts will be renewed or extended, or that additional or replacement contracts will be awarded to the Company on satisfactory terms.

THREE MONTHS ENDED JANUARY 27, 2008 COMPARED
TO THE THREE MONTHS ENDED JANUARY 28, 2007--Continued

TELEPHONE DIRECTORY

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Telephone Directory (Dollars in Millions)	Three Months Ended January 27, 2008 Dollars	% of Net Sales	Three Months Ended January 28, 2007 Dollars	% of Net Sales	Favorable (Unfavorable) $ Change	Favorable (Unfavorable) % Change
Sales (Net)	$14.7		$17.6		($2.9)	(16.9%)
Gross Profit	$6.4	43.9%	$8.0	45.5%	($1.6)	(19.9%)
Overhead	$5.7	39.4%	$5.8	33.3%	$0.1	1.8%
Operating Profit	$0.7	4.5%	$2.2	12.2%	($1.5)	(69.2%)

</TABLE>

The components of the Telephone Directory segment's sales decrease for the first quarter of fiscal 2008 from the comparable quarter of fiscal 2007 were decreases of $1.2 million in the printing and telephone directory publishing operation in Uruguay, $1.3 million in the DataNational community telephone directory publishing sales, and $0.4 million in telephone production and other sales. The sales decrease in Uruguay was comprised of $1.7 million in publishing sales, partially offset by an increase of $0.5 million in printing sales. The sales decrease in the telephone directory publishing operation in Uruguay was due to the timing of the delivery of their directories. The increase in printing sales in Uruguay was primarily related to a new customer for the operation. The DataNational sales decrease was comprised of a $0.8 million reduction related to the timing of the delivery of their directories, $0.3 million from a 4% decrease in same book sales and $0.2 million from net discontinued books. The current quarter included the addition of 4 small directories and the discontinuance of 3 small directories as compared to the comparable 2007 quarter. The sales decrease in production and other sales was related to volume decreases at continuing customers.

The decrease in the segment's operating profit from the comparable fiscal quarter of 2007 was the result of the sales decrease and a reduction in the gross margin percentage. The decreased gross margin is primarily related to the reduction in Uruguay of higher margin directory revenue and an increase in the less profitable printing sales, as compared to the comparable 2007 quarter, partially offset by higher margin jobs in the first fiscal quarter of 2008 within the telephone directory production operation.

Other than the DataNational division and the telephone directory publishing operation in Uruguay, which accounted for 45% of the segment's sales in the first quarter of fiscal 2008, the segment's business is obtained through submission of competitive proposals for production and other contracts. These short and long-term contracts are re-bid after expiration. Many of this segment's long-term contracts contain cancellation provisions under which the customer can cancel the contract, even if the segment is not in default under the contract and generally do not provide for a minimum amount of work to be awarded to the segment. While the Company has historically secured new contracts and believes it can secure renewals and/or extensions of most of these contracts, some of which are material to this segment, and obtain new business, there can be no assurance that contracts will be renewed or extended, or that additional or replacement contracts will be awarded to the Company on satisfactory terms. In addition, this segment's sales and profitability are highly dependent on advertising revenue from DataNational's directories, which could be affected by general economic conditions.

TELECOMMUNICATIONS SERVICES

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	Three Months Ended					
	January 27, 2008		January 28, 2007			
Telecommunications Services (Dollars in Millions)	Dollars	% of Net Sales	Dollars	% of Net Sales	Favorable (Unfavorable) $ Change	Favorable (Unfavorable) % Change
Sales (Net)	$47.2		$21.4		$25.8	120.8%
Gross Profit	($4.2)	(8.8%)	$4.8	22.3%	($9.0)	(187.3%)
Overhead	$15.0	31.8%	$5.5	25.5%	($9.5)	(175.3%)
Operating Loss	($19.2)	(40.6%)	($0.7)	(3.2%)	($18.5)	(2,730.9%)

</TABLE>

The Telecommunications Services segment's sales increase in the first quarter of fiscal 2008 from the comparable quarter of fiscal 2007 was comprised of an increase of $26.7 million, or 236%, in the Construction and Engineering division, partially offset by a decrease of $0.9 million, or 9%, in the Network Enterprise Solutions division. The sales increase in the Construction and Engineering division in the current quarter was largely due to a large fiber optic contract which ramped up in the latter half of fiscal 2007 and the recognition of revenue for two large government contracts accounted for using the percentage-of-completion method of accounting. The segment's sales backlog at the end of the first quarter of fiscal 2008 was $69 million, as compared to a backlog of approximately $76 million at the end of the comparable 2007 quarter.

In late January 2008, the Company learned that it may not be reimbursed for certain costs under an installation contract and the Company has revalued its

reserves to include this uncertainty. The increase in the operating loss was primarily the result of the establishment of a $19.3 million loss reserve established in the first quarter of fiscal 2008 for certain costs included in inventory related to work performed and for additional costs expected to be incurred to complete that work under that contract. In addition, the gross margins of other jobs completed this year were lower than projects completed in the comparable 2007 fiscal quarter.

The results of the segment continue to be affected by the decline in capital spending by telephone companies caused by the consolidation within the segment's telecommunications industry fixed-line customer base and an increasing shift by consumers to wireless communications and alternatives. This factor has also increased competition for available work, pressuring pricing and gross margins throughout the segment.

A substantial portion of the business in this segment is obtained through the submission of competitive proposals for contracts, which typically expire within one to three years and are re-bid. Many of this segment's long-term contracts contain cancellation provisions under which the customer can cancel the contract, even if the segment is not in default under the contract and generally do not provide for a minimum amount of work to be awarded to the segment. While the Company believes it can secure renewals and/or extensions of most of these contracts, some of which are material to this segment, and obtain new business, there can be no assurances that contracts will be renewed or extended or that additional or replacement contracts will be awarded to the Company on satisfactory terms.

THREE MONTHS ENDED JANUARY 27, 2008 COMPARED TO THE THREE MONTHS ENDED JANUARY 28, 2007--Continued

COMPUTER SYSTEMS

Computer Systems (Dollars in Millions)	Three Months Ended January 27, 2008 Dollars	% of Net Sales	Three Months Ended January 28, 2007 Dollars	% of Net Sales	Favorable (Unfavorable) $ Change	Favorable (Unfavorable) % Change
Sales (Net)	$50.8		$46.5		$4.3	9.1%
Gross Profit	$27.2	53.3%	$24.7	53.2%	$2.5	9.7%
Overhead	$22.4	44.3%	$19.0	41.0%	($3.4)	(18.4%)
Restructuring	$1.5	2.6%	-	-	($1.5)	-
Operating Profit	$3.3	6.4%	$5.7	12.2%	($2.4)	(42.9%)

The Computer Systems segment's sales increase in the first quarter of fiscal 2008 from the comparable quarter of fiscal 2007 was comprised of increases of $5.3 million, or 39%, in database access transaction fee revenue, including ASP directory assistance, $2.6 million, or 19%, in the Maintech division's IT maintenance, partially offset by a decrease of $3.6 million, or 19%, in projects and other income. The increase in transaction fee revenue for the current quarter included $6.2 million from the new LSSi operations (enterprise data transactions) acquired in September 2007. The remaining telco transaction fee revenue which decreased from new and existing customers by $0.9 million, or 6%, from the comparable quarter was due to a transaction volume decrease of 2%, and selected unit price decreases. The increase in Maintech sales included new customers with $1.0 million in sales for the current quarter. The decrease in

project and other revenue was due to the completion of a few large projects in Europe in the first quarter of fiscal 2007.

The decreased operating profit was due to the increase in overhead in dollars and as a percentage of sales and the restructuring charge, partially offset by the increase in sales and the slight increase in gross margin percentage. The increased gross profit percentage was a result of the increased database access fees from newly acquired LSSi, partially offset by the reduction in project margins in Europe. The increased overhead cost is primarily due to the inclusion of the LSSi operation (including the related intangible amortization costs) and the restructuring charge is a result of the foreign and domestic personnel downsizing as a result of the acquisition.

This segment's results are highly dependent on the volume of calls to the segment's customers that are processed by the segment under existing contracts with telephone companies, the segment's ability to continue to secure comprehensive telephone listings from others, its ability to obtain additional customers for these services, its continued ability to sell products and services to new and existing customers and consumer demands for its customers' services.

GENERAL CORPORATE EXPENSES

General corporate expenses decreased by $1.4 million, or 13%, to $8.9 million in the first quarter of fiscal 2008. This decrease was primarily due to a reduction in amortization of the Corporate enterprise resource planning system software and decreased communication costs.

THREE MONTHS ENDED JANUARY 27, 2008 COMPARED TO THE THREE MONTHS ENDED JANUARY 28, 2007--Continued

RESULTS OF OPERATIONS--OTHER

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Other (Dollars in Millions)	January 27, 2008 Dollars	% of Net Sales	January 28, 2007 Dollars	% of Net Sales	Favorable (Unfavorable) $ Change	Favorable (Unfavorable) % Change
Selling & Administrative	$25.1	4.2%	$23.9	4.4%	($1.2)	(5.0%)
Depreciation & Amortization	$9.9	1.7%	$9.6	1.7%	($0.3)	(2.7%)
Restructuring	$1.5	0.3%	-	-	($1.5)	-
Interest Income	$1.3	0.2%	$1.2	0.2%	$0.1	7.3%
Other Expense	($1.7)	(0.3%)	($1.5)	(0.3%)	($0.2)	(11.4%)
Foreign Exchange Loss	($0.3)	(0.1%)	($0.1)	-	($0.2)	(255.2%)
Interest Expense	($1.6)	(0.3%)	($0.6)	(0.1%)	($1.0)	(158.3%)

</TABLE>

The changes in other items affecting the results of operations for the first quarter of fiscal 2008 as compared to the comparable 2007 quarter, discussed on a consolidated basis, were:

The increase in selling and administrative expenses in the current quarter from

the comparable 2007 fiscal quarter was primarily the result of increased salaries, professional fees and provision for bad debts, partially offset by reduced communication costs.

The increase in depreciation and amortization in the current quarter from the comparable 2007 fiscal quarter was attributable to increases in amortization of intangibles in the Computer Systems segment due to acquisitions in fiscal 2007, partially offset by a reduction in amortization of the Corporate enterprise resource planning system software.

Interest income increased due to interest earned on premium deposits held by insurance companies, partially offset by reduced cash equivalents invested.

The increase in other expense was primarily due to an increase in securitization fees from an additional amount of accounts receivable sold under the Company's Securitization Program.

Interest expense increased due to additional borrowings used to fund acquisitions.

The Company's effective tax benefit rate on its financial reporting pre-tax loss was 37.1% in the first quarter of fiscal 2008 compared to an effective tax provision rate of 39.4% on its financial reporting pre-tax income in the comparable quarter in fiscal 2007. The decrease in the effective rate was principally due to the limitation on the use of foreign tax credits.

Liquidity and Capital Resources

Cash and cash equivalents, increased by $3.7 million to $44.1 million in the three months ended January 27, 2008.

Operating activities provided $16.0 million of cash in the first three months of fiscal 2008. In the comparable fiscal 2007 period, operating activities provided $9.2 million in cash.

Operating activities in the first three months of fiscal 2008, exclusive of changes in operating assets and liabilities, used $5.6 million of cash, as the Company's net loss of $13.2 million included non-cash charges primarily for depreciation and amortization of $9.9 million, accounts receivable provisions of $5.7 million and a deferred tax benefit of $8.1 million. Operating activities in the first three months of fiscal 2007, exclusive of changes in operating assets and liabilities, produced $10.6 million of cash, as the Company's net income of $0.7 million included non-cash charges primarily for depreciation and amortization of $9.6 million, accounts receivable provisions of $1.1 million and a deferred tax benefit of $0.6 million.

Changes in operating assets and liabilities produced $21.6 million of cash, net, in the first three months of fiscal 2008 principally due to a decrease in the level of accounts receivable of $38.2 million and a decrease in the level of inventory, primarily in the Telecommunications Services segment, of $19.5 million offset by a reduction in securitization of receivables of $20.0 million and a decrease in accounts payable of $17.5 million. Changes in operating assets and liabilities used $1.4 million of cash, net, in the first three months of fiscal 2007 principally due to a reduction in securitization of receivables of $50.0 million substantially offset by a decrease in the level of accounts receivable of $31.0 million and an increase in deferred income and other liabilities of $17.0 million.

The $7.2 million of cash applied to investing activities for the first three months of fiscal 2008 resulted primarily from the expenditures of $7.2 million for net additions to property, plant and equipment. The $7.0 million of cash applied to investing activities for the first three months of fiscal 2007 resulted from the expenditures of $6.8 million for net additions to property, plant and equipment and $0.2 million for acquisitions.

The principal factors in the $6.4 million of cash used by financing activities

in the first three months of fiscal 2008 were a payment of $8.1 million for the purchase of treasury shares partially offset by an increase in notes payable of $1.8 million. The principal factors in the $31.2 million of cash provided by financing activities in the first three months of fiscal 2007 were an increase in notes payable of $38.8 million and cash provided from exercises of stock options totaling $0.3 million partially offset by a payment of $8.0 million for the purchase of treasury shares.

Commitments
- -----------

There has been no material change through January 27, 2008 in the Company's contractual obligations and other commercial commitments from that reported in the Company's Annual Report on Form 10-K for the fiscal year ended October 28, 2007.

Off-Balance Sheet Financing
- ---------------------------

The Company has no off-balance sheet financing arrangements, as that term has meaning in Item 303(a) (4) of Regulation S-K.

Securitization Program
- ----------------------

The Company has a $200.0 million accounts receivable securitization program ("Securitization Program"), which expires in April 2009. Under the Securitization Program, receivables related to the United States operations of the staffing solutions business of the Company and its subsidiaries are sold from time-to-time by the Company to Volt Funding Corp., a wholly-owned special purpose subsidiary of the Company ("Volt Funding"). Volt Funding, in turn, sells to Three Rivers Funding Corporation ("TRFCO"), an asset backed commercial paper conduit sponsored by Mellon Bank, N.A., an undivided percentage ownership interest in the pool of receivables Volt Funding acquires from the Company (subject to a maximum purchase by TRFCO in the aggregate of $200.0 million). The Company retains the servicing responsibility for the accounts receivable. At January 27, 2008, TRFCO had purchased from Volt Funding a participation interest of $100.0 million out of a pool of approximately $239.9 million of receivables.

The Securitization Program is not an off-balance sheet arrangement as Volt Funding is a 100%-owned consolidated subsidiary of the Company, with accounts receivable only reduced to reflect the fair value of receivables actually sold. The Company entered into this arrangement as it provided a low-cost alternative to other forms of financing.

The Securitization Program is designed to enable receivables sold by the Company to Volt Funding to constitute true sales of those receivables. As a result, the receivables are available to satisfy Volt Funding's own obligations to its own creditors before being available, through the Company's residual equity interest in Volt Funding, to satisfy the Company's creditors. TRFCO has no recourse to the Company beyond its interest in the pool of receivables owned by Volt Funding.

In the event of termination of the Securitization Program, new purchases of a participation interest in receivables by TRFCO would cease and collections reflecting TRFCO's interest would revert to it. The Company believes TRFCO's aggregate collection amounts should not exceed the pro rata interests sold. There are no contingent liabilities or commitments associated with the Securitization Program.

The Company accounts for the securitization of accounts receivable in accordance with SFAS No. 156, "Accounting for Transfers and Servicing of Financial Assets and an amendment of SFAS No. 140." At the time a participation interest in the receivables is sold, the receivable representing that interest is removed from the consolidated balance sheet (no debt is recorded) and the proceeds from the sale are reflected as cash provided by operating activities. Losses and expenses associated with the transactions, primarily related to discounts incurred by TRFCO on the issuance of its commercial paper, are charged to the consolidated

statement of operations.

Securitization Program--Continued
- ----------------------

The Securitization Program is subject to termination at TRFCO's option, under certain circumstances, including, among other things, the default rate, as defined, on receivables exceeding a specified threshold, the rate of collections on receivables failing to meet a specified threshold, the Company failing to maintain a long-term debt rating of "B" or better or the equivalent thereof from a nationally recognized rating organization or a default occurring and continuing on indebtedness for borrowed money of at least $5.0 million. At January 27, 2008, the Company was in compliance with all requirements of its Securitization Program.

Credit Lines
- ------------

At January 27, 2008, the Company had credit lines with domestic and foreign banks which provided for borrowings and letters of credit of up to an aggregate of $148.9 million, including the Company's $40.0 million secured, syndicated revolving credit agreement ("Credit Agreement") and the Company's wholly owned subsidiary, Volt Delta Resources, LLC's ("Volt Delta") $100.0 million secured, syndicated revolving credit agreement ("Delta Credit Facility") The Company had total outstanding bank borrowings of $86.0 million. Included in these borrowings were $16.4 million of foreign currency borrowings of which $13.6 million provide economic hedges against devaluation in foreign denominated assets.

Credit Agreement
- ----------------

The Credit Agreement established a secured credit facility ("Credit Facility") in favor of the Company and designated subsidiaries, of which up to $15.0 million may be used for letters of credit. Borrowings by subsidiaries are limited to $25.0 million in the aggregate. At January 27, 2008, the Company had no outstanding borrowings against this facility. The administrative agent for the Credit Facility is JPMorgan Chase Bank, N.A. The other banks participating in the Credit Facility are Mellon Bank, N.A., Wells Fargo Bank, N.A., Lloyds TSB Bank PLC and Bank of America, N.A.

Borrowings under the Credit Agreement are to bear interest at various rate options selected by the Company at the time of each borrowing. Certain rate options, together with a facility fee, are based on a leverage ratio, as defined. Additionally, interest and the facility fees can be increased or decreased upon a change in the rating of the facility as provided by a nationally recognized rating agency. The Credit Agreement requires the maintenance of specified accounts receivable collateral in excess of any outstanding borrowings. Based upon the Company's leverage ratio and debt rating at January 27, 2008, if a three-month U.S. Dollar LIBO rate were the interest rate option selected by the Company, borrowings would have borne interest at the rate of 4.1% per annum, excluding a fee of 0.3% per annum paid on the entire facility.

The Credit Agreement provides for the maintenance of various financial ratios and covenants, including, among other things, a requirement that the Company maintain a consolidated tangible net worth, as defined; a limitation on cash dividends, capital stock purchases and redemptions by the Company in any one fiscal year to 50% of consolidated net income, as defined, for the prior fiscal year; and a requirement that the Company maintain a ratio of EBIT, as defined, to interest expense, as defined, of 1.25 to 1.0 for the twelve months ended as of the last day of each fiscal quarter. The Credit Agreement also imposes limitations on, among other things, the incurrence of additional indebtedness, the incurrence of additional liens, sales of assets, the level of annual capital expenditures, and the amount of investments, including business acquisitions and investments in joint ventures, and loans that may be made by the Company and its subsidiaries. The Company was not in compliance with one covenant at January 27, 2008. A waiver of this covenant was not required as the Credit Agreement, which was due to expire in April 2008, was cancelled and replaced with a new $42.0

million five-year unsecured revolving facility on February 28, 2008.

Credit Lines--Continued
- ------------

The Company is liable on all loans made to it and all letters of credit issued at its request, and is jointly and severally liable as to loans made to subsidiary borrowers. However, unless also a guarantor of loans, a subsidiary borrower is not liable with respect to loans made to the Company or letters of credit issued at the request of the Company, or with regard to loans made under the Credit Agreement to any other subsidiary borrower. Five subsidiaries of the Company are guarantors of all loans made to the Company or to subsidiary borrowers under the Credit Facility. At January 27, 2008, four of those guarantors had pledged approximately $42.0 million of accounts receivable, other than those in the Securitization Program, as collateral for the guarantee obligations. Under certain circumstances, other subsidiaries of the Company also may be required to become guarantors under the Credit Facility.

Delta Credit Facility
- ---------------------

In December 2006, Volt Delta entered into the Delta Credit Facility, which expires in December 2009, with Wells Fargo, N.A. as the administrative agent and arranger, and as a lender thereunder. Wells Fargo and the other three lenders under the Delta Credit Facility, Lloyds TSB Bank Plc., Bank of America, N.A. and JPMorgan Chase also participate in the Company's $40.0 million revolving Credit Facility. Neither the Company nor Volt Delta guarantees each other's facility but certain subsidiaries of each are guarantors of their respective parent company's facility.

The Delta Credit Facility allows for the issuance of revolving loans and letters of credit in the aggregate of $100.0 million with a sublimit of $10.0 million on the issuance of letters of credit. At January 27, 2008, $79.5 million was drawn on this facility, the majority of which was used to finance the acquisition of LSSi. Certain rate options, as well as the commitment fee, are based on a leverage ratio, as defined, which resets on a quarterly basis. Based upon Volt Delta's leverage ratio at January 27, 2008, if a three-month U.S. Dollar LIBO rate were the interest rate option selected by the Company, borrowings would have borne interest at the rate of 5.0% per annum. Volt Delta also pays a commitment fee on the unused portion of the Delta Credit Facility which varies based on Volt Delta's leverage ratio. At January 27, 2008, the commitment fee was 0.3% per annum.

The Delta Credit Facility provides for the maintenance of various financial ratios and covenants, including, among other things, a total debt to EBITDA ratio, as defined, which cannot exceed 2.0 to 1.0 on the last day of any fiscal quarter, a fixed charge coverage ratio, as defined, which cannot be less than 2.5 to 1.0 and the maintenance of a consolidated net worth, as defined. The Delta Credit Facility also imposes limitations on, among other things, incurrence of additional indebtedness or liens, the amount of investments including business acquisitions, creation of contingent obligations, sales of assets (including sale leaseback transactions) and annual capital expenditures. At January 27, 2008, Volt Delta was in compliance with all covenants in the Delta Credit Facility.

Summary
- -------

The Company believes that its current financial position, working capital, future cash flows from operations, credit lines and accounts receivable Securitization Program will be sufficient to fund its presently contemplated operations and satisfy its obligations through, at least, the next twelve months.

New Accounting Pronouncements to be Effective in Fiscal 2008
- --

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements." This statement defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within that fiscal year. The Company is currently evaluating the impact of adopting this statement.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities - including an amendment of FAS 115". This statement permits entities to choose to measure many financial instruments and certain other items at fair value. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, including interim periods within that fiscal year. The Company is currently evaluating the impact of adopting this statement.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements - an amendment of ARB NO. 51" This statement establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. This statement is effective for financial statements issued for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2008. The Company is currently evaluating the impact of adopting this statement.

Related Party Transactions
- --------------------------

During the first three months of fiscal 2008, the Company paid or accrued $0.2 million to the law firm of which Lloyd Frank, a director, is of counsel, for services rendered to the Company and expenses reimbursed.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the potential economic loss that may result from adverse changes in the fair value of financial instruments. The Company`s earnings, cash flows and financial position are exposed to market risks relating to fluctuations in interest rates and foreign currency exchange rates. The Company has cash and 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 borrowings and letters of credit, as well as a $200 million accounts receivable securitization program to provide the Company with additional liquidity to meet its short-term financing needs.

The interest rates on these borrowings and financing are variable and, therefore, interest and other expense and interest income are affected by the general level of U.S. and foreign interest rates. Based upon the current levels of cash invested, notes payable to banks and utilization of the securitization program, on a short-term basis, as noted below in the tables, a hypothetical 100-basis-point (1%) increase or decrease in interest rates would increase or decrease its annual net interest expense and securitization costs by $1.2 million, respectively.

The Company has a term loan, as noted in the table below, which consists of borrowings at fixed interest rates, and the Company's interest expense related to these borrowings is not affected by changes in interest rates in the near term. The fair value of the fixed rate term loan was approximately $14.0 million at January 27, 2008. This fair value was calculated by applying the appropriate fiscal year-end interest rate to the Company's present stream of loan payments.

The Company holds short-term investments in mutual funds for the Company's deferred compensation plan. At January 27, 2008, the total market value of these investments was $5.1 million, all of which are being held for the benefit of

participants in a non-qualified deferred compensation plan with no risk to the Company.

The Company has a number of overseas subsidiaries and is, therefore, subject to exposure from the risk of currency fluctuations as the value of foreign currencies fluctuates against the dollar, which may impact reported earnings. As of January 27, 2008, the total of the Company's net investment in foreign operations was $12.3 million. The Company attempts to reduce these risks by utilizing foreign currency option and exchange contracts, as well as borrowing in foreign currencies, to hedge the adverse impact on foreign currency net assets when the dollar strengthens against the related foreign currency. As of January 27, 2008, the Company had an outstanding foreign currency option contract in the nominal amount equivalent to $9.5 million, which approximated its net investment in foreign operations and is accounted for as a hedge under SFAS No. 52, "Foreign Currency Translation". The amount of risk and the use of foreign exchange instruments described above are not material to the Company's financial position or results of operations and the Company does not use these instruments for trading or other speculative purposes. Based upon the current levels of net foreign assets, a hypothetical weakening of the U.S. dollar against these currencies at January 27, 2008 by 10% would result in a pretax gain of $1.2 million related to these positions. Similarly, a hypothetical strengthening of the U.S. dollar against these currencies at January 27, 2008 by 10% would result in a pretax loss of $0.7 million related to these positions.

The tables below provide information about the Company's financial instruments that are sensitive to either interest rates or exchange rates at January 27, 2008. For cash and debt obligations, the table presents principal cash flows and related weighted average interest rates by expected maturity dates. The information is presented in U.S. dollar equivalents, which is the Company's reporting currency.

<TABLE>
<CAPTION>

Interest Rate Market Risk	Payments Due By Period as of January 27, 2008				
	Total	Less than 1 Year	1-3 Years	3-5 Years	After 5 Years
	(Dollars in thousands of US$)				
Cash and Cash Equivalents and Restricted Cash					
Money Market and Cash Accounts	$66,635	$66,635			
Weighted Average Interest Rate	3.49%	3.49%			
Total Cash, Cash Equivalents and Restricted Cash	$66,635	$66,635			
Securitization Program					
Accounts Receivable Securitization	$100,000	$100,000			
Finance Rate	6.07%	6.07%			
Securitization Program	$100,000	$100,000			
Debt					
Term Loan	$12,703	$521	$1,179	$1,388	$9,615
Interest Rate	8.2%	8.2%	8.2%	8.2%	8.2%
Notes Payable to Banks	$86,037	$86,037			
Weighted Average Interest Rate	5.56%	5.56%	-	-	-

Total Debt	$98,740	$86,558	$1,179	$1,388	$9,615

</TABLE>

Foreign Exchange Market Risk

	Contract Values			
	Contract Exchange Rate	Total	Fair Value Less than 1 Year	Option Premium (1)
	(Dollars in thousands of U.S. $)			
Option Contracts				
Canadian $ to U.S.$	1.05	$9,524	$9,524	$227
Total Option Contracts		$9,524	$9,524	$227

(1) Represents the fair value of the foreign contracts at January 27, 2008.

ITEM 4 - CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

The Company's management is responsible for maintaining adequate internal controls over financial reporting and for its assessment of the effectiveness of internal controls over financial reporting.

The Company carried out an evaluation of the effectiveness of the design and operation of its "disclosure controls and procedures," as defined in, and pursuant to, Rule 13a-15 of the Securities Exchange Act of 1934, as of January 27, 2008 under the supervision and with the participation of the Company's management, including the Company's President and Principal Executive Officer and its Senior Vice President and Principal Financial Officer. Based on that evaluation, management concluded that the Company's disclosure controls and procedures are effective in ensuring that material information relating to the Company and its subsidiaries is made known to them on a timely basis.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1A - RISK FACTORS

Legal Contingencies - The Company is subject to certain legal proceedings, as well as demands, claims and threatened litigation that arise in the normal course of our business. A quarterly review is performed of each significant matter to assess any potential financial exposure. If the potential loss from any claim or legal proceeding is considered probable and the amount can be reasonably estimated, a liability and an expense are recorded for the estimated loss. Significant judgment is required in both the determination of probability and the determination of whether an exposure is reasonably estimable. Any accruals are based on the best information available at the time. As additional

information becomes available, a reassessment is performed of the potential liability related to any pending claims and litigation and may revise the Company's estimates. Potential legal liabilities and the revision of estimates of potential legal liabilities could have a material impact on the results of operations and financial position.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

Exhibit	Description
15.01	Letter from Ernst & Young LLP regarding Report of Independent Registered Public Accounting Firm
15.02	Letter from Ernst & Young LLP regarding Acknowledgement of Independent Registered Public Accounting Firm
31.01	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.02	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.01	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.02	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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)

Date: March 12, 2008

By: /s/ Jack Egan

Jack Egan
Senior Vice President and
Principal Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
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EXHIBIT 15.01

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Volt Information Sciences, Inc.

We have reviewed the condensed consolidated balance sheet of Volt Information Sciences, Inc. and subsidiaries as of January 27, 2008, and the related condensed consolidated statements of operations and cash flows for the three-month periods ended January 27, 2008 and January 28, 2007. These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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

As discussed in Note N to the condensed consolidated financial statements, on October 29, 2007, the Company adopted FASB Interpretation 48, "Accounting for Uncertainty in Income Taxes-an interpretation of SFAS 109."

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of Volt Information Sciences, Inc. and subsidiaries as of October 28, 2007, and the related consolidated statements of operations, stockholders' equity and comprehensive income, and cash flows for the year then ended, not presented herein; and in our report dated January 10, 2008, we expressed an unqualified opinion on those consolidated financial statements and included an explanatory paragraph for the Company's adoption of Statement of Financial Accounting Standards No. 123(R). In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of October 28, 2007, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ ERNST & YOUNG LLP
New York, New York
March 12, 2008

EXHIBIT 15.02

ACKNOWLEDGEMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Volt Information Sciences, Inc.

We are aware of the incorporation by reference in Registration Statement No. 333-13369 on Form S-8 dated October 3, 1996, Registration Statement No. 333-45903 on Form S-8 dated February 9, 1998, Registration Statement No. 333-106245 on Form S-8 dated June 18, 2003 and Registration Statement No. 333-148355 on Form S-8 dated December 27, 2007 of Volt Information Sciences, Inc. and subsidiaries of our report dated March 6, 2008 relating to the unaudited condensed consolidated interim financial statements of Volt Information Sciences, Inc. and subsidiaries that are included in its Form 10-Q for the three months ended January 27, 2008.

/s/ ERNST & YOUNG LLP
New York, New York
March 12, 2008

EXHIBIT 31.01

CERTIFICATION BY PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven A. Shaw, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Volt Information Sciences, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
   d) disclosed in this quarterly report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 12, 2008

/s/ Steven A. Shaw

Steven A. Shaw
President and
Principal Executive Officer

EXHIBIT 31.02

CERTIFICATION BY PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jack Egan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Volt Information Sciences, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and
   d) disclosed in this quarterly report any changes in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 12, 2008

/s/ Jack Egan

Jack Egan
Senior Vice President and
Principal Financial Officer

EXHIBIT 32.01

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Volt Information Sciences, Inc. (the "Company") on Form 10-Q for the period ended January 27, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven A. Shaw, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 12, 2008 /s/Steven A. Shaw

Steven A. Shaw
President and
Principal Executive Officer

A signed original of this written statement required by Section 906 has been provided to Volt Information Sciences, Inc. and will be retained by Volt Information Sciences, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.02

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Volt Information Sciences, Inc. (the "Company") on Form 10-Q for the period ended January 27, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jack Egan, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 12, 2008 /s/Jack Egan

Jack Egan
Senior Vice President and
Principal Financial Officer

A signed original of this written statement required by Section 906 has been provided to Volt Information Sciences, Inc. and will be retained by Volt Information Sciences, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.