

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

IMATRON INC

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SIC: 3845 Electromedical & electrotherapeutic apparatus

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1996.

Commission file number 0-12405

IMATRON INC.

New Jersey
I.D. No. 94-2880078
389 Oyster Point Blvd, South San Francisco, CA 94080
(415) 583-9964

Indicate by check mark whether the Registrant (1) had filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

At October 30, 1996, 77,355,833 shares of the Registrant's common stock (no par value) were issued and outstanding.

Total Number of Pages: 15

IMATRON INC.

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<TABLE>

IMATRON INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(AMOUNTS IN THOUSANDS)

<CAPTION>

	September 30, 1996	December 31, 1995
	(Unaudited)	
ASSETS	<C>	<C>
<S>		
Current Assets		
Cash and cash equivalents	\$ 5,318	\$ 7,269
Short-term investments	10,961	1,266
Accounts receivable, net	5,988	3,083
Accounts receivable from affiliate	3,192	2,957
Notes receivable	-	250
Inventories	9,718	8,937
Prepaid expenses	609	563
	-----	-----
Total current assets	35,786	24,325
Property and equipment, net	7,243	6,260
Other assets	333	291
Investments in HSI	1,437	-
	-----	-----
Total assets	\$ 44,799	\$ 30,876
	=====	=====
LIABILITIES & SHAREHOLDERS' EQUITY:		
Current liabilities		
Borrowings under line of credit	\$ -	\$ 992
Accounts payable	1,587	2,785
Other accrued liabilities	7,919	5,607
Capital lease obligations - due within one year	64	689
	-----	-----
Total current liabilities	9,570	10,073
Deferred income on sale-leaseback transactions	1,551	1,267
Capital lease obligations	6,035	3,311
	-----	-----
Total liabilities	17,156	14,651
SHAREHOLDERS' EQUITY		
Common stock, no par value; authorized - 100,000 shares; issued and outstanding 77,248 shares at 1996 and 68,835 at 1995;	87,954	72,282
Additional paid-in capital	1,500	1,500
Accumulated deficit	(61,811)	(57,557)
	-----	-----
Total shareholders' equity	27,643	16,225
	-----	-----
Total liabilities and shareholders' equity	\$ 44,799	\$ 30,876
	=====	=====

<FN>

The accompanying notes are an integral part of these condensed consolidated financial statements.

</FN>

</TABLE>

<TABLE>

IMATRON INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

<CAPTION>

Three Months Ended
September 30,

Nine Months Ended
September 30

	1996	1995	1996	1995
<S>	<C>	<C>	<C>	<C>
Revenues:				
Product sales	\$ 6,545	\$ 244	\$ 12,562	\$ 9,532
Product sale-leaseback arrangements	-	-	1,774	953
Service	1,134	1,079	2,722	4,581
Development contracts	1,250	1,250	3,750	4,387
Clinic	-	132	574	271
Total revenues	8,929	2,705	21,382	19,724
Cost of revenues:				
Product	4,649	999	10,020	8,325
Product sale-leaseback arrangements	-	-	1,774	953
Service	980	997	2,452	3,271
Development contracts	1,250	1,250	3,750	3,728
Clinic	-	425	966	989
Total cost of revenues	6,879	3,671	18,962	17,266
Gross profit / (loss)	2,050	(966)	2,420	2,458
Operating expenses:				
Research and development	879	779	2,380	2,539
Marketing and sales	688	648	2,669	2,208
Gen. and admin	823	709	2,661	1,913
Total operating expenses	2,390	2,136	7,710	6,660
Total operating loss	(340)	(3,102)	(5,290)	(4,202)
Other income, net	1,922	16	2,083	4,014
Interest expense	(259)	(46)	(493)	(109)
Net income(loss) before loss from equity investment	1,323	(3,132)	(3,700)	(297)
Loss from equity investment in HeartScan Imaging, Inc.	(554)	-	(554)	-
Net income (loss)	\$ 769	\$ (3,132)	\$ (4,254)	\$ (297)
Net income per share	\$ 0.01	\$ (0.06)	\$ (0.06)	\$ (0.01)
Number of shares used in per share calculation	80,428	55,488	73,359	54,764

<FN>
The accompanying notes are an integral part of these condensed consolidated financial statements.
</FN>
</TABLE>

<TABLE>

IMATRON INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(AMOUNTS IN THOUSANDS)
(UNAUDITED)

<CAPTION>

	Nine Months Ended September 30,	
	1996	1995
<S>	<C>	<C>
Cash flows from operating activities:		
Net loss	\$ (4,254)	\$ (297)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	437	1,207
Other Income	-	(4,000)
Changes in:		
Accounts and notes receivable	(2,522)	3,835
Inventories	(781)	(613)

Prepaid expenses and deposits	(46)	(104)
Other assets	212	(20)
Accounts payable	(1,198)	(1,503)
Other accrued liabilities	2,312	536
Deferred income	284	-
	-----	-----
Net cash used in operating activities	(5,556)	(959)
Cash flows from investing activities:		
Capital expenditures	(280)	(1,055)
Purchases of marketable securities	(17,511)	-
Maturities of marketable securities	5,536	-
Sales of marketable securities	2,014	-
Investment in HeartScan	(780)	-
	-----	-----
Net cash used in investing activities	(11,021)	(1,055)
Cash flows from financing activities:		
Payment of obligation under capitalized leases	(54)	-
Payment of notes payable	(992)	-
Proceeds from issuance of notes payable	-	800
Issuance of common stock	15,672	1,033
	-----	-----
Net cash provided by financing activities	14,626	1,833
	-----	-----
Net decrease in cash and cash equivalents	(1,951)	(181)
Cash and cash equivalents, at beginning of the period	7,269	1,694
	-----	-----
Cash and cash equivalents, at end of the period	\$ 5,318	\$ 1,513
	=====	=====

<FN>
The accompanying notes are an integral part of these condensed consolidated financial statements.
</FN>
</TABLE>

IMATRON INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for annual consolidated financial statements. In the opinion of management, adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine month periods ended September 30, 1996 are not necessarily indicative of the results that may be expected for the year ended December 31, 1996. For further information, refer to the consolidated financial statements and notes thereto included in the Company's Annual Report to Shareholders for the year ended December 31, 1995.

2. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Imatron Inc. and its subsidiary HeartScan Imaging, Inc. (HeartScan). All inter-company accounts and transactions have been eliminated in consolidation through June 30, 1996. Effective July 1, 1996, the consolidated financial statements include the accounts of Imatron Inc. and its 48.3% equity investment in HeartScan.

3. SHORT-TERM INVESTMENTS

Short-term investments consist of certificates of deposit and debt securities. The certificates of deposit have been classified as held to maturity and the debt securities have been classified as available for sale. The maturity of all debt securities is less than one year and the unrealized gain/loss of the securities is immaterial at September 30, 1996.

4. INVENTORIES

Inventories consist of (in thousands of dollars):

	September 30, 1996	December 31, 1995
	-----	-----
Purchased parts and sub-assemblies	\$ 3,690	\$ 2,594
Service parts	995	1,079
Work-in-process	4,969	2,403
Finished goods	64	2,861
	=====	=====
Total	\$ 9,718	8,937
	=====	=====

5. INCOME (LOSS) PER SHARE

Net income per common and common equivalent share is computed using the weighted average number of common shares outstanding after considering the dilutive effect of stock options and warrants.

Net loss per common share is computed using the weighted average number of common shares outstanding. Stock options and warrants have not been included in the computation as their effect would have been antidilutive.

6. TRANSACTIONS WITH SIEMENS CORPORATION

The following table represents the percent of revenues attributable to the development and distribution agreements between the Company and Siemens Corporation:

	Three months ended September 30,		Nine months ended September 30,	
	1996	1995	1996	1995
	----	----	----	----
Net product sales	-	100%	2%	17%
Service	22%	49%	18%	39%
Development contracts	100%	100%	100%	100%
Total revenues	17%	76%	21%	40%

Siemens has asserted a claim against the Company regarding the lapse of certain foreign registrations of one of the patents assigned to Siemens by the Company in connection with the March 31, 1995 agreement between the companies. The technology involved in the patent is not used presently in any of the Company's products. The Company believes that it can provide patent to Siemens to replace the lapsed patent. While the resolution of the claim is not expected to have a material effect on the Company's financial position, it could however, have a material effect on the results of operations of a particular future period if resolved unfavorably.

7. JOINT VENTURE

As of September 30, 1996 Imatron's interest in the Joint Venture is carried in the accompanying financial statements at no value. The Company has no financial commitments to the Joint Venture and is prepared to abandon its interest. The Company intends to carry this investment at no value until such time as the Joint Venture can demonstrate that it will be able to sustain profitable operations. Once profitable operations are sustained, the Company will account for the Joint Venture investment on the equity method. Summarized financial information for the Joint Venture is not included in the notes to the consolidated financial statements for the period ended or as of September 30, 1996, as such information is not considered material to the operations of Imatron Inc.

The following table represents the percent of revenues attributable to the Joint Venture between the Company and Imatron Japan K.K.:

	Three months ended September 30,		Nine months ended September 30,	
	1996	1995	1996	1995
	-----	-----	-----	-----
Net product sales	22%	-	44%	59%
Service	24%	11%	23%	22%

Percentage to total
revenues 19% 5% 33% 37%

8. EQUITY INVESTMENT IN HEARTSCAN

On June 28, 1996, Imatron completed a private offering whereby Imatron sold 100,000 shares of Heartscan Imaging, Inc. Series A Preferred stock to unaffiliated third parties at \$160 per share. As a result, the total capitalization of Heartscan is as follows:

<TABLE>	
<CAPTION>	
<S>	
Common shares outstanding	70,312
Common shares issuable upon the conversion of 100,000 Series A Preferred	1,000,000
Common shares issuable upon the conversion of 100,000 Series B Preferred	1,000,000
Stock options issued but not outstanding	117,188
Warrants issued in connection with the sale of Series A Preferred	30,000
Common stock reserved for issuance under the stock option plans	282,500

Total Common Shares Authorized	2,500,000
	=====

</TABLE>

Imatron Inc remains the owner of 100,000 shares of Heartscan Series B Preferred stock which represents a 48.3% ownership in Heartscan at September 30, 1996.

The Heartscan Series A Preferred stock may be exchanged at the sole option of the holders into Imatron common stock at an exchange price of \$5.00 per share of Imatron Common stock until the earlier of a) the conclusion of the two year period following the closing date of the Preferred Stock offering; or b) a Heartscan initial public offering at a market capitalization of no less than \$15,000,000. If there is no initial public offering of Heartscan Common stock within 24 months of the Preferred Stock closing, the holders may convert the Heartscan Series A Preferred stock into Imatron common stock at a conversion price equal to 73% of the weighted average closing price of Imatron Common Stock for the 90 day period immediately preceding the pricing date, but in no event shall the conversion price be less than \$1.50.

Heartscan Series A & B Preferred stock issued and outstanding shall have the right to vote with the holders of Common stock on all matters, each share of Preferred stock having that number of votes equal to the number of common stock shares into which the Preferred stock is convertible.

Effective July 1, 1996, Imatron did not have a majority voting interest in Heartscan and, therefore, has changed its method of accounting for HeartScan from consolidation basis to accounting for its investment using equity method. For the three months ended September 30, 1996, HeartScan's losses were \$1,148,000 of which \$554,000 (or 48.3%) was recognized by Imatron Inc. as a loss on its equity investment.

If at some future point in time sufficient shares of Heartscan Series A Preferred stock are exchanged into shares of Imatron Common stock such that Imatron controls the equivalent of 50% or greater of the shares of Heartscan Common stock, Imatron will fully consolidate Heartscan's financial statements.

Had Imatron controlled more than 50% of the shares of Common stock of Heartscan, as of September 30, 1996, Imatron's third quarter results on a fully consolidated basis would be \$8,991,000 in revenues and \$155,000 in net income. Following, are Imatron's proforma financial statements as if HeartScan had been fully consolidated and the Heartscan Series A Preferred stock was accounted for as minority interest as of September 30, 1996.

The following is Imatron's condensed consolidated balance sheets as if HeartScan had been fully consolidated.

<TABLE>

IMATRON INC.
Condensed Consolidated Balance Sheets
September 30, 1996
PROFORMA

<CAPTION>

ASSETS	Imatron	HeartScan	Elimination Entries	Total
<S>	----- <C>	----- <C>	----- <C>	----- <C>
Cash and cash equivalents	\$ 5,318	\$3,060	\$ -	\$ 8,378
Short term investments	10,961	7,992	-	18,953
Receivables	8,812	136	-	8,948

Inventories	9,718	-	-	9,718
Prepaid Expenses	609	63	-	672
Current Assets	35,418	11,251	-	46,669
Fixed Assets, net	1,341	8,229	-	9,570
Other Assets	333	2,505	(2,500)	338
Investments in HSI	1,192	-	(1,192)	-
Total Assets	\$38,284	\$21,985	\$ (3,692)	\$56,577
LIABILITIES				
Accounts Payable	\$1,587	\$ -	\$ -	\$ 1,587
Other accrued liabilities	7,919	76	(2,500)	5,495
Capital lease obligations-due within one year	64	1,135	-	1,199
Current Liabilities	9,570	1,211	(2,500)	8,281
Deferred income on sale leaseback transactions	1,551	-	-	1,551
Capital lease obligations	134	4,766	-	4,900
Total Liabilities	11,255	5,977	(2,500)	14,732
Minority Interest	-	14,798	-	14,798
STOCKHOLDER'S EQUITY				
Preferred Stock	-	1,992	(1,992)	-
Common Stock	87,954	143	-	88,097
Additional Paid in Capital	1,500	348	(348)	1,500
Deferred Compensation	-	(125)	-	(125)
Retained Earnings	(62,425)	(1,148)	1,148	(62,425)
Stockholders' Equity	27,029	1,210	(1,192)	27,047
Total Liability & Stockholders' Equity	\$38,284	\$21,985	(\$3,692)	\$56,577

</TABLE>

The following is Imatron's condensed consolidated statement of operations as if HeartScan had been fully consolidated.

<TABLE>

IMATRON INC.

Condensed Consolidated Statement of Operations
(Amounts in thousands, except in per share data)

PROFORMA

<CAPTION>

	Three Months Ended September 30, 1996				Nine Months Ended September 30, 1996			
	Imatron	HeartScan	Eliminating entries	Total	Imatron	HeartScan	Eliminating entries	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
REVENUE								
Product	\$6,545	\$ -	\$ (169)	\$ 6,376	\$14,336	\$ -	\$ (169)	\$14,167
Field Service	1,134	-	(64)	1,070	2,793	-	(135)	2,659
R&D	1,250	-	-	1,250	3,750	-	-	3,750
Clinic	-	295	-	295	-	869	-	869
Total Revenue	8,929	295	(233)	8,991	20,879	869	(304)	21,444
COST OF SALES								
Product	4,649	-	-	4,649	11,794	-	-	11,794
Field Service	980	-	(153)	827	2,452	-	(153)	2,299
R&D	1,250	-	-	1,250	3,750	-	-	3,750
Clinic	-	605	(60)	545	-	1,642	(131)	1,511
Total Cost of Sales	6,879	605	(213)	7,271	17,996	1,642	(284)	19,354
Gross profit	2,050	(310)	(20)	1,720	2,883	(773)	(20)	2,090

Operating Expenses	2,390	831	-	3,221	6,444	2,097	-	8,541
Other income	1,922	150	-	2,072	2,077	156	-	2,233
Interest expense	259	157	-	416	303	347	-	650
.....								
Net income/(loss)	\$ 1,323	\$ (1,148)	\$ (20)	\$ 155	\$ (1,787)	\$ (3,061)	\$ (20)	\$ (4,868)
=====								
Net income per share				\$ 0.00				\$ (0.07)
=====								
Number of shares used in per share calculation				80,428				73,359
=====								

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

Results of Operations:

Three months ended September 30, 1996 versus 1995

Overall revenues for the third quarter ended September 30, 1996 of \$8,929,000 increased \$6,224,000 or 230% compared to 1995 revenues of \$2,705,000. Net product revenues increased to \$6,545,000 from \$244,000 in 1995 primarily because of increases in scanner shipments from zero in 1995 to four in 1996. Service revenues remained flat in 1996 due to an increase in service contracts which was offset by a decrease in spares shipments. Development contract revenue is consistent with the three year Memorandum of Understanding entered into with Siemens in March 1995. Clinic revenues related to the Heartscan Imaging subsidiary is no longer being reported as a result of the recent Heartscan private placement decreasing the ownership in Heartscan by Imatron to a minority ownership (See footnote #8).

Total cost of revenues as a percent of revenues for the third quarter of 1996 is lower at 77% as compared with 136% in 1995. Product cost of revenues as a percent of product revenues decreased to 77% in 1996 from 409% in 1995 due to shipment of four scanners with higher margins compared to zero shipments in 1995. Service cost of revenues as a percent of service revenue slightly decreased to 86% in 1996 from 92% in 1995. Development contract revenue and cost of revenue is equal due to the terms of the three year Memorandum of Understanding with Siemens.

Operating expenses of \$2,050,000 increased \$271,000 or 13% compared to 1995 expenses of \$2,119,000. R&D expenses of \$879,000 in 1996 reflect the portion of R&D spending not covered by the Siemens research and development contract. Selling expenses remained flat as compared to 1995 due to commissions paid on the sale of C-150 scanner to Japan offset by the exclusion of Heartscan expenses during the third quarter as a result of the recent Heartscan private placement decreasing the ownership in Heartscan by Imatron to a minority interest (See footnote #8). Administrative expenses increased \$131,000 to \$823,000 due to increases in bank fees related to the Exim Bank credit line and investor relations expenses. These were also partially offset by the non-consolidation of Heartscan administrative expenses during third quarter.

Nine months ended September 30, 1996 versus 1995

Overall revenues for the nine months ended 1996 of \$21,382,000 increased \$1,658,000 or 8% compared to revenues of \$19,724,000 for the same period in 1995. Net product revenues, including \$1,774,000 under the sale-leaseback arrangements, increased 37% to \$14,336,000 in 1996 from \$10,485,000 in 1995 due to nine scanners shipped in 1996 compared to seven in 1995. Service revenues decreased 41% to \$2,722,000 in 1996 due primarily to a lower volume of spares shipments. The decrease in the development contract revenue of 15% to \$3,750,000 in 1996 resulted from the lower revenue recognized under the Memorandum of Understanding entered into with Siemens as compared to the previous development agreement terminated in March 1995. Clinic revenues related to the Heartscan reflect the amount prior to the sale of the majority ownership of Heartscan to unaffiliated third party (See footnote #8).

Total cost of revenues as a percent of revenues for nine months ended 1996 at 89%, the same as 1995. Product cost of revenues as a percent of product revenues decreased to 82% in 1996 from 88% in 1995 due higher margins on scanners shipped. Service cost of revenues as a percent of service revenues

increased to 90% in 1996 from 71% 1995 due primarily to a decrease in spares shipments. Development contract cost of revenues is equal to the revenue recognized under the Memorandum of Understanding with Siemens. Clinic cost of revenues as a percent of clinic revenues decreased to 168% in 1996 from 365% in 1995 due to the exclusion of clinic revenues and expenses for the third quarter ended 1996 as a result of the recent HeartScan private placement decreasing the ownership in HeartScan by Imatron to a minority ownership (See footnote #8).

Operating expenses of \$7,710,000 in 1996 increased \$1,102,000 or 17% in 1995 expenses of \$6,608,000. R&D expenses of \$2,380,000 in 1996 reflect the portion of R&D spending not related to the Siemens research and development contract. Selling expenses increased to \$2,669,000 in 1996 from \$2,208,000 in 1995 due to higher marketing expenses incurred by Heartscan Imaging prior to the Heartscan private placement. Administrative expenses increased \$800,000 to \$2,661,000 due to increases in investor relations expenses and overhead expenses related to the establishment of new Heartscan clinics prior to the Heartscan private placement.

Other income decreased to \$2,083,000 in 1996 due to the \$4,000,000 recorded in 1995 for the transfer of five Imatron EBT patents to Siemens and the cancellation of Siemens' existing minimum purchase obligations under the previous distribution agreement. This was partially offset by income derived from the sale of 59,090 shares of Invision Technologies common stock at \$30.00 per share or a total of \$1,756,000.

The increase in interest expense is related to the capital lease obligations for certain equipment entered into by the Company.

Liquidity and Capital Resources:

At September 30, 1996 the Company has a working capital of \$26,216,000 which was 390% increase compared to the working capital of \$14,252,000 at December 31, 1995. The current ratio increased to 3.7:1 from 2.4:1 at December 31, 1995.

The Company's assets increased in 1996 by 26% to \$38,898,000 compared to December 31, 1996 total assets of \$30,876,000 primarily due to proceeds from the sale of 4,000,000 shares of Imatron common stock and the receipt of a deposit of \$2,500,000 for scanner orders from Heartscan. This increase in cash and investments was partially offset by the operating loss incurred during the year and payment of the borrowings under the line of credit with San Paolo Bank. Accounts receivable also increased due to the higher number of scanners sold under the letters of credit that are outstanding as of September 30, 1996. Inventories are higher at 10% due to the increase in work in process. Fixed assets and lease obligations include capital leases on HeartScan clinic scanners amounting to \$5,901,000 that are guaranteed by Imatron Inc.

The Company's management believes that the cash, cash equivalents and short-term investments existing at September 30, 1996 and the estimated proceeds from ongoing sales of products and services in 1996 will provide the Company with sufficient cash for operating activities and capital requirements through December 31, 1996.

To satisfy the Company's capital and operating requirements beyond 1996, profitable operations or additional public or private financing or the incurrence of debt may be required. If future public or private financing is required by the Company, holders of the Company's securities may experience dilution. There can be no assurance that equity or debt sources, if required, will be available or, if available, will be on terms favorable to the Company or its shareholders.

The Company does not believe that inflation has had a material effect on its revenues or results of operations.

This Form 10Q contains forward-looking statements which involve risk and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements as a result of certain risk factors set forth in the company's annual report on Form 10-K for the year ended December 31, 1995.

PART II. OTHER INFORMATION

-
- | | |
|---------|---------------------------------|
| Item 1. | Legal Proceedings |
| | Not applicable. |
| Item 2. | Changes in Securities |
| | Not applicable. |
| Item 3. | Defaults upon Senior Securities |

Not applicable.

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

The Company's Annual Meeting of Shareholders was held on June 28, 1996. At the meeting the nominated slate of directors was elected. In addition, a proposal to increase the additional shares eligible for sale under the Company's 1994 Employee Stock Option plan from 1,000,000 to 1,800,000 shares was approved. The proposal received 50,150,046 votes for, 1,403,348 against, and 288,719 abstentions.

Item 5. Other Information

Not applicable.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

No. 11 - Computation of per share earnings.

(b) Form 8-K Reports:

Not applicable.

<TABLE>

EXHIBIT NO. 11

IMATRON INC.
COMPUTATION OF PER SHARE EARNINGS
(AMOUNTS IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

<CAPTION>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1996	1995	1996	1995
<S>	<C>	<C>	<C>	<C>
PRIMARY:				
Average shares outstanding	76,601	55,488	73,359	54,764
Conversion of preferred stock				
Net effect of dilutive stock options based on the treasury stock method using the average market price	2,234	-	-	-
Net effect of dilutive stock warrants based on the treasury stock method using the average market price	1,593	-	-	-
TOTAL	80,428	55,488	73,359	54,764
Net income / (loss)	\$ 769	\$ (3,132)	\$ (4,254)	\$ (297)
Net income / (loss) per share	\$ 0.01	\$ (0.06)	\$ (0.06)	\$ (0.01)

</TABLE>

SIGNATURES

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

Date: November 14, 1996

IMATRON INC.
(Registrant)

/s/ Gary H. Brooks

Gary H. Brooks
Vice President, Finance/Administration
and Chief Financial Officer

<TABLE> <S> <C>

<ARTICLE>

5

<LEGEND>

This schedule contains summary information extracted from Imatron Inc.'s CONSOLIDATED CONDENSED STATEMENTS OF INCOME AND CONSOLIDATED CONDENSED BALANCE SHEETS and is qualified in its entirety by reference to such financial statements.

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<CIK> 0000720477
<NAME> Imatron Inc.
<MULTIPLIER> 1,000

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<OTHER-SE>	0
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<INCOME-TAX>	0
<INCOME-CONTINUING>	0
<DISCONTINUED>	0
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<CHANGES>	0

<NET-INCOME>	769
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<EPS-DILUTED>	0.01

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