

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1996-02-08** | Period of Report: **1995-12-31**
SEC Accession No. **0000032870-96-000006**

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FILER

QUIXOTE CORP

CIK: **32870** | IRS No.: **362675371** | State of Incorporation: **DE** | Fiscal Year End: **0630**
Type: **10-Q** | Act: **34** | File No.: **000-07903** | Film No.: **96513333**
SIC: **3652** Phonograph records & prerecorded audio tapes & disks

Mailing Address
*ONE EAST WACKER DRIVE
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QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

UNITED STATES
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 period ended December 31, 1995

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 number 0-7903

I.R.S. Employer Identification Number 36-2675371

QUIXOTE CORPORATION

(a Delaware Corporation)
One East Wacker Drive
Chicago, Illinois 60601
Telephone: (312) 467-6755

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 (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to
such filing requirements for the past 90 days. YES XX NO

Indicate the number of shares outstanding of each of the issuer's classes of
common stock, as of the latest practicable date: 7,863,168 shares of the
Company's Common Stock (\$.01-2/3 par value) were outstanding as of December

31, 1995.

PART I
FINANCIAL INFORMATION

QUIXOTE CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Operations
(Unaudited)

<TABLE>
<CAPTION>

	Three Months Ended December 31,	
	1995	1994
	----	----
<S>	<C>	<C>
Net sales.....	\$ 43,697,000	\$ 42,573,000
Cost of sales.....	30,423,000	27,183,000
	-----	-----
Gross profit.....	13,274,000	15,390,000
Selling & administrative expenses.....	10,110,000	10,622,000
Research & development expenses.....	875,000	798,000
	-----	-----
	10,985,000	11,420,000
Operating profit.....	2,289,000	3,970,000
	-----	-----
Other income (expenses):		
Interest income.....	92,000	55,000
Interest expense.....	(1,627,000)	(917,000)
Other.....	(242,000)	(125,000)
	-----	-----
	(1,777,000)	(987,000)
	-----	-----
Earnings from continuing operations before income taxes.....	512,000	2,983,000
Provisions for income taxes.....	195,000	1,134,000
	-----	-----
Earnings from continuing operations...	317,000	1,849,000
	-----	-----
Loss from discontinued operations (net of taxes).....		(972,000)
	-----	-----
Net earnings.....	\$ 317,000	\$ 877,000
	=====	=====
Per share data:		
Earnings from continuing operations.\$.04	\$.23
Loss from discontinued operations...		(.12)
	-----	-----
Net earnings.....	\$.04	\$.11
	=====	=====

Weighted average common and common
equivalent shares outstanding..... 7,989,747 8,181,186

<FN>

See Notes to Consolidated Condensed Financial Statements

</TABLE>

QUIXOTE CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Operations
(Unaudited)

<TABLE>

<CAPTION>

	Six Months Ended December 31,	
	1995	1994
	----	----
<S>	<C>	<C>
Net sales.....	\$ 88,699,000	\$ 83,849,000
Cost of sales.....	60,250,000	52,830,000
	-----	-----
Gross profit.....	28,449,000	31,019,000
Selling & administrative expenses.....	20,442,000	20,278,000
Research & development expenses.....	1,753,000	1,547,000
	-----	-----
	22,195,000	21,825,000
Operating profit.....	6,254,000	9,194,000
	-----	-----
Other income (expenses):		
Interest income.....	169,000	102,000
Interest expense.....	(3,184,000)	(1,780,000)
Other.....	(408,000)	(231,000)
	-----	-----
	(3,423,000)	(1,909,000)
	-----	-----
Earnings from continuing operations before income taxes.....	2,831,000	7,285,000
Provisions for income taxes.....	1,076,000	2,768,000
	-----	-----
Earnings from continuing operations...	1,755,000	4,517,000
	-----	-----
Discontinued operations (net of tax):		
Actual loss from operations.....	(1,087,000)	(1,552,000)
Estimated loss on disposition of discontinued operations.....	(10,913,000)	
	-----	-----
Loss from discontinued operations.....	(12,000,000)	(1,552,000)
	-----	-----
Net earnings (loss).....	\$ (10,245,000)	\$ 2,965,000
	=====	=====

Per share data:

Earnings from continuing operations..\$.22	\$.55
Loss from discontinued operations...	(1.50)		(.19)
	-----		-----
Net earnings (loss).....\$	(1.28)	\$.36
	=====		=====
Weighted average common and common equivalent shares outstanding.....	7,989,635		8,178,515
	=====		=====

<FN>

See NOTES to Consolidated Condensed Financial Statements

</TABLE>

QUIXOTE CORPORATION AND SUBSIDIARIES
Consolidated Condensed Balance Sheets

<TABLE>

<CAPTION>

	December 31,	June 30,
	-----	-----
ASSETS	1995	1995
	-----	-----
	(Unaudited)	
<S>	<C>	<C>
Current assets:		
Cash & cash equivalents.....\$	2,162,000	\$ 2,093,000
Accounts receivable, net of allowances for doubtful accounts of \$2,505,000 at December 31 and \$2,738,000 at June 30.....	28,397,000	28,092,000
Inventories:		
Raw materials.....	8,092,000	6,383,000
Work in process.....	1,109,000	1,128,000
Finished goods.....	2,346,000	2,140,000
	-----	-----
	11,547,000	9,651,000
Other current assets.....	4,120,000	3,348,000
	-----	-----
Total current assets.....	46,226,000	43,184,000
	-----	-----
Property, plant and equipment, at cost.....	155,342,000	142,626,000
Less accumulated depreciation.....	(59,887,000)	(51,912,000)
	-----	-----
	95,455,000	90,714,000
	-----	-----
Other assets including \$6,000,000 certificate of deposit.....	20,923,000	22,326,000
Net assets of discontinued operations.....	760,000	13,362,000
	-----	-----

\$163,364,000

\$169,586,000

=====

=====

<FN>

See Notes to Consolidated Condensed Financial Statements.

</TABLE>

QUIXOTE CORPORATION AND SUBSIDIARIES
Consolidated Condensed Balance Sheets

<TABLE>

<CAPTION>

	December 31,	June 30,
	-----	-----
LIABILITIES AND SHAREHOLDERS' EQUITY	1995	1995
-----	-----	-----
	(Unaudited)	
<S>	<C>	<C>
Current liabilities:		
Current portion of long-term debt.....	\$ 975,000	\$ 975,000
Accounts payable.....	9,328,000	19,086,000
Accrued expenses.....	17,918,000	16,077,000
Income taxes payable.....	1,903,000	3,470,000
	-----	-----
Total current liabilities.....	30,124,000	39,608,000
	-----	-----
Long-term debt.....	82,450,000	68,000,000
Deferred income taxes.....	3,063,000	3,063,000
Shareholders' equity:		
Common stock.....	143,000	143,000
Capital in excess of par value of stock....	29,268,000	29,268,000
Retained earnings.....	23,789,000	34,977,000
Treasury stock, at cost.....	(5,473,000)	(5,473,000)
	-----	-----
	47,727,000	58,915,000
	-----	-----
	\$163,364,000	\$169,586,000
	=====	=====

<FN>

See Notes to Consolidated Condensed Financial Statements.

</TABLE>

QUIXOTE CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements of Cash Flows
(Unaudited)

<TABLE>
<CAPTION>

	Six Months Ended December 31,	
	1995	1994
<S>	<C>	<C>
Cash from operating activities:		
Earnings from continuing operations.....	\$ 1,755,000	\$ 4,517,000
Loss from discontinued operations.....	(12,000,000)	(1,552,000)
	-----	-----
Net earnings (loss).....	(10,245,000)	2,965,000
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation.....	7,975,000	6,014,000
Amortization.....	858,000	1,086,000
Provision for losses on accounts receivable.....	74,000	18,000
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable.....	(379,000)	2,190,000
Increase in inventories and other current assets.....	(2,668,000)	(1,588,000)
Increase (decrease) in accounts payable and accrued expenses.....	1,226,000	(20,000)
Decrease in income taxes payable.....	(1,567,000)	(1,198,000)
Discontinued operations-noncash charges and working capital changes.....	12,602,000	
	-----	-----
Net cash provided by operating activities.....	7,876,000	9,467,000
	-----	-----
Investing activities:		
Purchase of property, plant and equipment.....	(21,941,000)	(16,629,000)
Capitalized systems, design and software costs....	(339,000)	(495,000)
Decrease in funds deposited with IDB trustee.....	1,536,000	
Other.....	(652,000)	(83,000)
	-----	-----
Net cash used in investing activities.....	(21,396,000)	(17,207,000)
	-----	-----
Financing activities:		
Borrowings (payments) on revolving line of credit.	14,450,000	10,025,000
Payment of semi-annual dividend.....	(861,000)	(853,000)
Proceeds from exercise of stock options.....		237,000
Repurchase of company stock for Treasury.....		(100,000)
	-----	-----
Net cash provided by financing activities.....	13,589,000	9,309,000
	-----	-----
Increase in cash and cash equivalents.....	69,000	1,569,000
Cash and cash equivalents at beginning of period....	2,093,000	1,021,000
	-----	-----
Cash and cash equivalents at end of period.....	\$ 2,162,000	\$ 2,590,000
	=====	=====

<FN>

Note: During the six months ended December 31, 1995, the Company made cash payments of \$451,000 for income taxes and paid \$2,866,000 for interest. During the same period last

year the Company made cash payments of \$3,015,000 for income taxes and paid \$1,466,000 for interest.

See Notes to Consolidated Condensed Financial Statements.

</TABLE>

QUIXOTE CORPORATION AND SUBSIDIARIES
Notes to Consolidated Condensed Financial Statements
(Unaudited)

1. The interim financial statements are prepared pursuant to the requirements for reporting on Form 10-Q. The June 30, 1995 balance sheet data was derived from audited financial statements, adjusted for the reclassification of assets and liabilities related to the discontinued operations discussed in Note 2 below, but does not include all disclosures required by generally accepted accounting principles. The interim financial statements and notes thereto should be read in conjunction with the financial statements and notes included in the Company's latest annual report on Form 10-K. In the opinion of management, the interim financial statements reflect all adjustments of a normal recurring nature necessary for a fair presentation of the results for interim periods. The current period results of operations are not necessarily indicative of results which ultimately will be reported for the full fiscal year ending June 30, 1996.

2. On September 28, 1995, the measurement date, the Company adopted a plan to dispose of Integrated Information Services, Inc., a document imaging and computerized litigation support company, and Litigation Sciences, Inc., a litigation consulting firm, and to abandon the concept of Legal Technologies, Inc. as a full service provider to the legal community.

As a result, the Company recorded a loss during the first quarter consisting of \$2,213,000 (net of income tax benefits of \$1,475,000) for the estimated operating losses of these businesses from the measurement date through the estimated date of disposition and \$8,700,000 (net of income tax benefits of \$5,800,000) for the estimated loss on their disposition. In addition, losses of \$1,087,000 (net of income tax benefits of \$725,000) were incurred by these businesses during the first quarter until the measurement date (September 28, 1995). These results are presented as discontinued operations in the Company's Consolidated Condensed Statements of Operations for the six months ended December 31, 1995. The previously issued Consolidated Condensed Statements of Operations for the quarter and six months ended December 31, 1994 have been restated to reflect those results as discontinued operations. Net sales for the discontinued businesses for the six months ending December 31, 1995 and 1994 were \$7,413,000 and \$9,260,000 respectively. Net sales for the discontinued businesses for the quarter ending December 31, 1995 and 1994 were \$3,753,000 and \$4,386,000 respectively. The assets of these businesses consist principally of accounts receivable, inventories and equipment, and net of their liabilities have been reflected separately in the Company's Consolidated Condensed Balance Sheets.

In connection with the decision to discontinue these businesses, the Company violated certain covenants of its Revolving Credit Facility

including the tangible net worth and leverage covenants as of September 30, 1995. In November 1995, the Company was granted an increase in its revolving credit facility to \$70 million from \$60 million and received a waiver for all its covenant violations. The revolving credit agreement was also amended to adjust certain covenants for future periods.

3. In December 1995, Disc Manufacturing, Inc. settled a lawsuit with three former employees. The cost of the settlement, including legal fees was \$584,000 and was expensed in the Company's second quarter.

Subsequent Events:

4. On January 5, 1996, Energy Absorption Systems, Inc., and Quantic Industries, Inc. (Quantic), agreed to extend certain provisions of the "Surviving Stockholder Agreement" from January 6, 1996, to February 29, 1996. This agreement with certain stockholders of Quantic, among other things, grants those stockholders a right to require Energy Absorption to purchase all of their shares (52.5% of the common stock) of Quantic for \$8.7 million.

5. On January 10, 1996, Energy Absorption entered into an agreement with Barrier Systems, Inc., to sell and assign all of its rights to certain patents related to the movable traffic barrier system. Energy sold the patents for \$1,960,000, which will result in a gain of approximately \$350,000, to be recorded in the Company's third quarter of fiscal 1996.

6. On January 25, 1996, Stenograph Corporation sold certain assets of Litigation Sciences, Inc. (LSI) for the assumption of certain liabilities of LSI. The remaining assets and liabilities of LSI retained by Stenograph include accounts receivable and liabilities under certain lease obligations.

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

CURRENT YEAR-TO-DATE VERSUS PRIOR YEAR-TO-DATE

The Company's sales for the first six months fiscal 1996 increased 6% to \$88,699,000 from \$83,849,000 in the same period last year due to revenue growth at Disc Manufacturing, Inc. (DMI). Sales at DMI increased 12% in the six month period to \$51,422,000 from \$45,873,000 in the same period last year due to strong growth in unit sales of CD-ROM discs. CD-ROM unit sales increased 102% during the six month period from the same period last year. Audio CD unit sales however decreased 16% in the six month period from the same period last year. This decline in audio CD sales was due to the loss of a major customer, BMG Music as discussed below, and also to a general softness in the music industry. As a result of declines in the average unit selling price of these products, CD-ROM sales dollars increased 57% during the six month period and CD audio sales dollars declined 19% from the same period last year. Sales at Energy Absorption for the six months were \$22,288,000, level with last year sales of \$22,210,000. Sales at Stenograph Corporation decreased 5% in the first six months to \$14,989,000 from \$15,766,000 in the same period last year. Sales of domestic computer-

aided transcription (CAT) hardware and software decreased offset somewhat by an increase in international sales.

The gross profit margin in the current six month period decreased to 32.1% from 37.0% in the same period last year due to margin reductions at DMI. DMI's gross profit margin decreased principally as a result of a decrease in the selling prices of its products, particularly CD-ROM products. In addition, DMI's unit costs increased slightly because of additional costs (principally depreciation) due to its plant expansion without sufficient capacity utilization to offset these costs. The Company expects to experience continued pressure on disc selling prices which may have a limiting effect on its gross profit margins. Stenograph Corporation's gross profit margin increased due to production efficiencies resulting in reduced material and labor costs. Energy Absorption's gross profit margin for the current six month period increased slightly due to a change in product mix.

Selling and administrative expenses in the current six month period increased slightly to \$20,442,000 from \$20,278,000 in the same period last year. DMI's selling and administrative expenses increased principally due to an increase in legal expense due to the settlement of a lawsuit (as discussed in footnote 3 to the Consolidated Condensed Financial Statements) and to an increase in CD-ROM selling and marketing expenses as that market expands. Energy Absorption's selling and administrative expenses increased due to increased marketing expenses. Stenograph Corporation's selling and administrative expenses decreased due to the settlement of litigation last year requiring additional expense of \$685,000 that was recorded in last years six month period.

Research and development expenses in current six month period increased 13% to \$1,753,000 compared to \$1,547,000 in the same period last year. This was due to an increase in R&D expenditures at Stenograph Corporation related to the development of an update to its Premier Power computer-aided transcription software. This increase in R&D at Stenograph Corporation was offset partially by a decrease in R&D at Energy Absorption as result of, among other things, reduced expenditures on its sewer rehabilitation technology.

Interest income in the current six month period was \$169,000 compared to \$102,000 in the same period last year due to an increase in the rate of interest earned on its \$6 million restricted certificate of deposit. Interest expense in the current six month period increased 79% to \$3,184,000 from \$1,780,000 in the same quarter last year. This was due to the increase in debt to \$83,425,000 as of December 31, 1995 compared to \$49,000,000 at the same time last year. Other expenses in the current six month period increased to \$408,000 compared to \$231,000 in the same period last year.

During the first quarter, the Company adopted a plan to dispose of Integrated Information Services, Inc., a document imaging and computerized litigation support company and Litigation Sciences, Inc., a litigation consulting firm, and to abandon the concept of Legal Technologies, Inc. as a full service provider to the legal community.

As a result, the Company recorded a loss of \$12 million during the first

quarter consisting of \$3.3 million (net of income tax benefits of \$2.2 million) for the estimated operating losses of these businesses through the date of disposition and \$8.7 million (net of income tax benefits of \$5.8 million) for the estimated loss on their disposition. These results are presented as discontinued operations in the Company's Consolidated Condensed Statements of Operations. The assets of these businesses consist principally of accounts receivables, inventories and equipment and net of their liabilities have been reflected separately in the Company's Consolidated Condensed Balance Sheets.

In connection with the decision to discontinue these businesses, the Company violated certain covenants of its Revolving Credit Facility including the tangible net worth and leverage covenants as of September 30, 1995. In November 1995, the Company was granted an increase in its revolving credit facility to \$70 million from \$60 million by its bank group and in addition, received a waiver for all its covenant violations. In addition, the bank group amended the revolving credit agreement adjusting these covenants for future periods.

Also during the period, DMI was notified by BMG Music, a major customer, that it is terminating its purchase agreement with DMI effective December 31, 1995. In fiscal 1995 BMG accounted for 38% of DMI's total sales. DMI is currently trying to replace this business but has only been partially successful to date due to, among other things, the current overcapacity in the industry. To the extent DMI is unsuccessful replacing this business, profits and cash flows may be materially affected.

CURRENT YEAR QUARTER VERSUS PRIOR YEAR QUARTER

The Company's sales for the second quarter of fiscal 1996 increased 3% to \$43,697,000 from \$42,573,000 in the same quarter last year due to revenue growth at Energy Absorption Systems and Disc Manufacturing, Inc. Sales at Energy Absorption for the current quarter increased 9% to \$10,074,000 from \$9,283,000 in the same quarter last year due to an increase in sales of its GREAT (TM) product, offset somewhat by a decrease in sales of the TMA (truck-mounted attenuator). Sales at DMI increased 4% in the current quarter to \$25,993,000 from \$25,032,000 in the same quarter last year due to strong growth in unit sales of CD-ROM discs. CD-ROM unit

sales increased 97% during the quarter from the same period last year. Audio CD unit sales however decreased 34% in the quarter from the same quarter last year. As a result of declines in the average unit selling price of these products, CD-ROM sales dollars increased 59% during the quarter and CD audio sales dollars declined 37% from the same period last year. Sales at Stenograph Corporation decreased 8% in the current quarter to \$7,630,000 from \$8,258,000 in the same period last year. Sales of lower margin third party computer hardware including computers and related peripherals continued to decline. Also contributing to the sales decline at Stenograph was a decline in it's Stentura product line.

The gross profit margin in the current quarter decreased to 30.4% from 36.1% in the same period last year due to margin reductions at DMI. DMI's gross profit margin decreased as a result of a decrease in the selling

prices of its products, particularly CD-ROM products. In addition, DMI's unit costs increased because of additional costs (mainly depreciation) due to its plant expansion without sufficient capacity utilization to offset these costs. The Company expects to experience continued pressure on disc selling prices and lower than expected volumes which may have a limiting effect on its gross profit margins. Stenograph Corporation's gross profit margin increased due to production efficiencies resulting in reduced material and labor costs. Energy Absorption's gross profit margin for the quarter increased due to a change in product mix.

Selling and administrative expenses in the current quarter decreased 5% to \$10,110,000 from \$10,622,000 in the same quarter last year due to Stenograph Corporation. Stenograph Corporation's selling and administrative expenses decreased due to the settlement of litigation last year requiring an additional expense accrual of \$685,000 that was recorded in last years second quarter. Offsetting this decrease in selling and administrative expenses, DMI's selling and administrative expenses increased principally due an increase in legal expense due to the settlement of a lawsuit (as discussed in footnote 3 to the Consolidated Condensed Financial Statements) and to the increase in CD-ROM selling and marketing expenses as that market expands. Energy Absorption's selling and administrative expenses also increased due to increased marketing expenses.

Research and development expenses in current quarter increased 10% to \$875,000 from \$798,000 in the same period last year. This was due to an increase in R&D expenditures at Stenograph Corporation related to the development of an update to its Premier Power computer-aided transcription software. This increase in R&D at Stenograph Corporation was offset partially by a decrease in R&D at Energy Absorption as result of, among other things, reduced expenditures on its sewer rehabilitation technology.

Interest income in the current quarter was \$92,000 compared to \$55,000 in the same quarter last year due to an increase in the rate of interest earned on its \$6 million restricted certificate of deposit. Interest expense in the current quarter increased 77% to \$1,627,000 from \$917,000 in the same quarter last year. This was due to the increase in debt to \$83,425,000 as of December 31, 1995 compared to \$49,000,000 at the same time last year. Other expenses in the current quarter increased to \$242,000 from \$125,000 last year.

LIQUIDITY AND CAPITAL RESOURCES

The Company has cash of \$2,162,000 and additional funds of \$6,550,000 available under its bank arrangements at December 31, 1995. Operating activities were a source of cash for the Company for the first six months of fiscal 1996 providing cash of \$7,876,000.

Cash of \$21,396,000 was used during the six month period for investing activities. The Company's primary investing activity was the purchase of \$21,941,000 in plant and equipment. These capital expenditures were made primarily at DMI for the final phase of its expansion program to increase its capacity to 200 million gross discs annually.

Financing activities provided cash of \$13,589,000 principally from

borrowings under the Company's bank facilities offset somewhat by the payment of a semiannual cash dividend to its shareholders.

During the balance of fiscal 1996, the Company anticipates the need for approximately \$4,000,000 in cash for capital expenditures. In addition, the Company may have a need for \$8.7 million in the event that certain shareholders of Quantic Industries, Inc. exercise their right to put their Quantic shares to the Company. The Company may also need additional cash as it considers acquiring additional businesses that complement its existing operating segments. Also, each of the Company's operating segments will require additional investments in working capital to maintain growth. These expenditures will be financed either through cash generated from operations or from borrowings available under the Company's revolving credit facility. The Company may also consider divesting its remaining legal businesses to generate additional cash. The Company believes its cash generated from operations and funds available under its existing credit facility or increases in its credit facility are sufficient for all planned operating and capital requirements.

II OTHER INFORMATION

ITEM 1. Legal Proceedings

1. REPETITIVE STRESS INJURY LITIGATION. A total of thirty cases have been filed to date against Stenograph Corporation and, in some cases, the Company. See the Company's Form 10-K Report for the fiscal year ended June 30, 1995, Item 3, for additional information.

2. THOMSON S. A. V. TIME WARNER ET AL., Case No. 94-83 (U. S. District Court for the District of Delaware). The February 1996 trial date has been postponed to an undetermined date in July 1996. See the Company's Form 10-K Report for the fiscal year ended June 30, 1995, Item 3, for additional information.

3. SHERRELL SEARS V. ENERGY ABSORPTION SYSTEMS, Case No. CV-94-128 (Circuit Court of St. Clair County, Alabama). The Company's motion for summary judgment was granted on December 7, 1995, dismissing all claims against the Company. Plaintiff has the right to appeal the decision. See the Company's Form 10-K Report for the fiscal year ended June 30, 1995, Item 3, for additional information.

4. ASHBY V. DISC MANUFACTURING, INC., Case No. CV-95-N-0247 NE (U.S. District Court for the Northern District of Alabama). This matter was settled in December 1995. In exchange for a lump sum payment to plaintiffs, plaintiffs agreed to dismiss all claims against Disc Manufacturing, Inc. See the Company's Form 10-K Report for the fiscal year ended June 30, 1995 for additional information.

ITEM 2. Changes in Securities

None.

ITEM 3. Default upon Senior Securities

None.

ITEM 4. Submission of Matters to a Vote of Security Holders

The Company's Annual Meeting of Shareholders was held on November 16, 1995. The matters voted on at the Annual Meeting were as follows:

- (i) The election of William G. Fowler and Robert D. van Roijen, Jr. to serve as directors.
- (ii) The approval of Coopers & Lybrand, L.L.P. as independent auditors for the Company.

Messrs. Fowler and van Roijen were elected and all other matters were approved as follows:

	VOTES			
	For	Against	Abstain or Withheld	No Vote
	-----	-----	-----	-----
Election of Directors				
William G. Fowler	6,675,033		106,314	
Robert D. van Roijen	6,638,729		142,618	
Approval of Coopers and Lybrand, L.L.P.	6,686,359	38,498	56,490	

ITEM 5. Other Information

None.

ITEM 6. Exhibits and Reports on Form 8-K

- (a) Exhibit 11. Statement regarding Computation of Earnings per Share.
- (b) There were no reports filed on Form 8-K for the quarter ended December 31, 1995.
- (c) Exhibits

* Management contract, compensatory plan or agreement

10.(a) Seventh Amendment to Loan Agreement dated as of November 10, 1995 by and among the Company, Energy Absorption Systems, Inc., Disc Manufacturing, Inc., Stenograph Corporation, Discovery Products, Inc. f/k/a Stenograph Legal Services, Inc., Spin-Cast Plastics, Inc., Composite Components, Inc., Integrated Information Services, Inc., Litigation Sciences, Inc., Safe-Hit Corporation, and The Northern Trust Company, NBD Bank and LaSalle National Bank.

(b) Second Amendment to Lease Agreement between the Company and United Insurance Company of America dated January 30, 1995.

(c) Third Amendment to Lease Agreement between the Company and United Insurance Company of America dated January 18, 1996.

(d)* Letter Agreement between the Company and Leslie J. Jezuit dated December 15, 1995.

(e) Agreement dated January 5, 1996 amending the Surviving Stockholders Agreement dated April 12, 1995 between Energy Absorption Systems, Inc. and Quantic Industries, Inc., James S. Fetherston, Charles G. Davis, Jr., individually and as trustee, and certain other parties.

(f) Assignment Agreement dated January 10, 1996 between Energy Absorption Systems, Inc. and Barrier Systems, Inc.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Quarterly Report on Form 10-Q for the quarter ended December 31, 1995 to be signed on its behalf by the undersigned thereunto duly authorized.

QUIXOTE CORPORATION

DATE: February 8, 1996

/s/Myron R. Shain

MYRON R. SHAIN

EXECUTIVE VICE PRESIDENT -
FINANCE

(Chief Financial & Accounting
Officer)

EXHIBIT 10(a)

EXECUTION COPY

SEVENTH AMENDMENT TO LOAN AGREEMENT

THIS SEVENTH AMENDMENT TO LOAN AGREEMENT ("Seventh Amendment"), dated as of November 10, 1995, is by and among QUIXOTE CORPORATION, a Delaware corporation ("Quixote"), ENERGY ABSORPTION SYSTEMS, INC., a Delaware corporation ("EAS"), DISC MANUFACTURING, INC., a Delaware corporation ("DMI"), LEGAL TECHNOLOGIES, INC., a Delaware Corporation ("LTI"), STENOGRAPH CORPORATION, a Delaware corporation ("Stenograph"), DISCOVERY PRODUCTS, INC. f/k/a STENOGRAPH LEGAL SERVICES, INC., a Delaware corporation ("SLS"), SPIN-CAST PLASTICS, INC., an Indiana corporation ("Spin-Cast"), COURT TECHNOLOGIES, INC., a Delaware corporation ("Court"), COMPOSITE COMPONENTS, INC., a Delaware corporation ("CCI"), INTEGRATED INFORMATION SERVICES, INC., a Delaware corporation ("IIS"), LITIGATION SCIENCES, INC., a Delaware corporation ("LSI"), and SAFE-HIT CORPORATION, a Nevada corporation (Safe-Hit), the lenders ("Lenders") named in the Loan Agreement referred to below, and THE NORTHERN TRUST COMPANY, an Illinois banking corporation ("Northern"), as agent for the Lenders (Northern, in such capacity, being "Agent"). Quixote, EAS, DMI, LTI, Stenograph, SLS, Spin-Cast, Court, CCI, IIS, LSI, and Safe-Hit are individually and collectively referred to herein as "Borrower".

RECITALS

A. Quixote, EAS, DMI, Stenograph, SLS, Spin-Cast, Court, CCI, IIS, LTI, LSI, Safe-Hit, Agent and Lenders entered into a certain Loan Agreement dated as of June 26, 1992 as amended by a First Amendment to Loan Agreement, dated as of June 30, 1992, as further amended by a Second Amendment to Loan Agreement dated as of May 28, 1993, as further amended by a Third Amendment to Loan Agreement dated as of June 26, 1993, as further amended by a Fourth Amendment to Loan Agreement dated May 31, 1994, as further amended by a Fifth Amendment to Loan Agreement dated December 15, 1994, and as further amended by a Sixth Amendment to Loan Agreement dated April 3, 1995 (as so amended and as the same may be hereafter amended, restated, supplemented or otherwise modified, the "Loan Agreement").

B. Pursuant to the terms of the Loan Agreement, and at the request of Borrower, the parties wish to further amend the Loan Agreement.

C. In consideration of the mutual agreements contained herein, and subject to the terms and conditions hereof, the parties hereto agree as follows:

1. Amendment.

1.1 Terms Used. Terms used but not otherwise defined herein are used

with the same meanings as provided therefor in the Loan Agreement.

1.2 Section 1 of the Loan Agreement. Section 1 of the Loan Agreement is hereby amended by deleting the definition of Maximum Revolving Credit Loan and inserting the following in its stead:

"'Maximum Revolving Credit Loan' shall mean an amount equal to \$70,000,000, subject to reduction as provided in Section 2.4."

1.3 Section 2.1 of the Loan Agreement. Section 2.1 of the Loan Agreement is hereby amended by deleting the first and second sentences of such Section and inserting the following in its stead:

"The maximum aggregate amount of the Revolving Credit Loan to be made by each Lender (such Lender's "Revolving Credit Loan Commitment") shall be the amount set below such Lender's name on the signature pages to the Seventh Amendment to Loan Agreement dated as of November 10, 1995. The aggregate principal amount of the Revolving Credit Loan Commitments is \$70,000,000."

1.4 Section 6.3 of the Loan Agreement. Section 6.3 of the Loan Agreement is hereby amended by deleting subsections (b) - (f) thereof and inserting the following in their stead.

"(b) (i) at the end of the Fiscal Quarter ending December 31, 1995, a positive Consolidated Net Income for such Fiscal Quarter, (ii) at the end of the Fiscal Quarter ending March 31, 1996, for the two Fiscal Quarter period then ended, a positive Consolidated Net Income and (iii) at the end of each succeeding Fiscal Quarter, for the three Fiscal Quarter period then ended, a positive Consolidated Net Income, (in each case certified by Quixote at the end of such Fiscal Quarter).

(c) (i) at the end of the Fiscal Year ended June 30, 1996, a positive Consolidated Net Income from its continuing operations and (ii) at the end of each Fiscal Year thereafter, a positive Consolidated Net Income, (in each case certified by Quixote at the end of such Fiscal Year).

(d) at all times Consolidated Tangible Net Worth (which shall be certified by Quixote at the end of each Fiscal Year) equal to or greater than

(i) for the 1996 Fiscal Year, \$36,000,000;

(ii) for the 1997 Fiscal Year, the sum of (A) \$36,000,000 plus (B) 50% of Quixote's positive Consolidated Net Income for the 1996 Fiscal Year;

(iii) for the 1998 Fiscal Year, the sum of (A) the required Consolidated Tangible Net Worth for the 1997 Fiscal Year plus (B) 50% of Quixote's positive Consolidated Net Income for the 1997 Fiscal Year; and

(iv) for each Fiscal Year thereafter, the sum of (A) the required

Consolidated Tangible Net Worth for the previous Fiscal Year and (B) 50% of Quixote's positive Consolidated Net Income for the previous Fiscal Year.

(e) at the end of each Fiscal Quarter, a Consolidated Cash Flow to Consolidated Fixed Charges Ratio (which shall be certified by Quixote at the end of each Fiscal Quarter) for the four Fiscal Quarter period then ended

equal to or greater than 2.0 to 1.0; provided, however, that with respect to the Fiscal Quarters ending on or prior to June 30, 1996 such ratio shall be measured for the period beginning October 1, 1995 and ending at the end of such Fiscal Quarter.

(f) at the end of each Fiscal Quarter, a Consolidated Funded Debt to Adjusted Capitalization Percentage (which shall be certified by Quixote at the end of each Fiscal Quarter) equal to or less than:

- (i) 66% for the 1996 Fiscal Year;
- (ii) 63% for the 1997 Fiscal Year; and
- (iii) 60% for the 1998 Fiscal Year and each Fiscal Year thereafter."

1.5 Section 8 of the Loan Agreement. Section 8 of the Loan Agreement is hereby amended by deleting it in its entirety and inserting the following in its stead:

"The agreement of Lenders to extend Revolving Credit Loans to Borrower and of Borrower to borrow money from Lenders pursuant to this Agreement and the Revolving Credit Notes shall continue for a period ending on October 31, 1998 ("Original Term") and on each October 31, commencing October 31, 1996, shall be subject to extension for successive one-year periods ("Renewal Terms") with the consent of all the Lenders and the Borrower."

1.6 Section 7.9 of the Loan Agreement. Section 7.9 of the Loan Agreement is hereby amended by deleting it and inserting the following in its stead:

"7.9 Capital Expenditures. Borrower shall not and shall not permit any of its Subsidiaries to make Capital Expenditures within any Fiscal Year that, in the aggregate, shall exceed (i) for the 1996 Fiscal Year, the lesser of (A) \$20,000,000 or (B) the sum of Quixote's Consolidated Net Income attributable to its continuing operations plus depreciation and amortization for the 1996 Fiscal Year and (ii) for each Fiscal Year thereafter, the sum of Quixote's Consolidated Net Income plus depreciation and amortization for such Fiscal Year."

1.7 Exhibit B to the Loan Agreement. Exhibit B to the Loan Agreement is hereby amended by deleting it in its entirety and inserting in lieu thereof a new Exhibit B, which is attached hereto as Annex 1.

2. Consent and Approval. The Agent and each of the Lenders hereby consent to and approve an investment by EAS of up to \$1,200,000 in a joint venture to be known as FIP-Energy Absorption Systems LLC. Notwithstanding anything to the contrary contained in the Loan Agreement, neither Borrower nor any Subsidiary of Borrower shall make any other investment in such joint venture. This consent and approval shall be limited precisely as written and shall not be deemed to approve any other transaction not otherwise in compliance with the terms and conditions of the Loan Agreement.

3. Term Loan Agreement. The parties hereto hereby agree that that certain Term Loan Agreement (the "Term Loan Agreement") dated as of August 4, 1995 among the parties hereto shall be terminated on the date hereof. The parties hereto hereby agree that all obligations owing under the Term Loan Agreement by the Borrowers (as defined therein) shall be satisfied by the Agent increasing the amount of the Revolving Credit Loan by \$10,000,000 on the date hereof and Quixote hereby directs the Agent to make such a Revolving Credit Loan.

4. Waiver. The Lenders hereby waive any and all Defaults or Events of Default caused by Borrower's failure to comply with the terms of subsections 6.3(b) through 6.3(f) of the Loan Agreement during the first Fiscal Quarter of the 1996 Fiscal Year. This waiver shall be limited precisely as written and shall not be deemed to prejudice the Lenders' rights and remedies with respect to any future Defaults or Events of Default.

5. Representation and Warranties. In order to induce the Lenders to enter into this Seventh Amendment, each Borrower represents and warrants that:

5.1 The representations and warranties set forth in Section 4 of the Agreement, as hereby amended, are true, correct and complete on the date hereof as if made on and as of the date hereof and that there exists no Default of Event of Default on the date hereof.

5.2 The execution and delivery by each Borrower of this Seventh Amendment has been duly authorized by proper corporate proceedings of each Borrower and this Seventh Amendment, and the Agreement, as amended by this Seventh Amendment, constitutes a valid and binding obligation of each Borrower.

5.3 Neither the execution and delivery by each Borrower of this Seventh Amendment, nor the consummation of the transactions herein contemplated, nor compliance with the provisions hereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on any Borrower or any Borrower's articles of incorporation or by-laws or the provisions of any indenture, instrument or agreement to which any Borrower is a party or is subject, or by which it or its property, is bound, or conflict with or constitute a default thereunder.

6. Effective Date. This Seventh Amendment shall become effective as of the date first above written (the "Effective Date") upon receipt by the Agent of (i) four (4) copies of this Amendment duly executed by each Borrower, the Agent and all Lenders, (ii) Revolving Credit Notes executed by each Borrower in favor of each of the Lenders substantially in the form of Annex 1 hereto (the "Replacement Notes"), (iii) copies for each Lender of a certificate executed by each Borrower certifying (a) board resolutions authorizing the execution and delivery of this Seventh Amendment and the Replacement Notes and authorizing the borrowings contemplated thereby and (b) incumbency, and (iv) a \$36,000 closing fee.

7. Reference to Loan Agreement. From and after the Effective Date hereof, each reference in the Loan Agreement to "this Agreement", "hereof", or "hereunder" or words of like import, and all references to the Loan Agreement in any and all agreements, instruments, documents, notes, certificates and other writings of every kind and nature shall be deemed to mean the Loan Agreement, as amended by this and all previous Amendments.

8. Miscellaneous.

8.1 Except as specifically set forth herein, the Loan Agreement and all provisions of contained therein shall remain and continue in full force and effect.

8.2 The execution delivery and effectiveness of this Seventh Amendment shall not, except as expressly provided for herein, operate as a waiver of (i) any right, power or remedy of the Lenders or the Agent under the Loan Agreement, or (ii) any Default or Event of Default under the Loan Agreement.

8.3 This Seventh Amendment shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois applicable to contracts made and performed in such State, without regard to the principles thereof regarding conflict of laws.

8.4 This Seventh Amendment may be executed in any number of separate counterparts, each of which shall, collectively and separately, constitute one agreement.

IN WITNESS WHEREOF, this Seventh Amendment has been duly executed as of the date first written above.

THE NORTHERN TRUST COMPANY,
as Agent and as Lender

By: /s/ Daniel J. Honegger

Name: Daniel J. Honegger

Title: Second Vice President

Revolving Credit Loan
Commitment: \$23,333,334

LA SALLE NATIONAL BANK,
as Lender

By: /s/ Betty T. Latson

Name: Betty T. Latson
Title: First Vice President

Revolving Credit Loan
Commitment: \$23,333,333

NBD BANK,
as Lender

By: /s/ Peter K. Gillespie

Name: Peter K. Gillespie
Title: Vice President

Revolving Credit Loan
Commitment: \$23,333,333

QUIXOTE CORPORATION

By: /s/ Myron R. Shain

Name: Myron R. Shain
Title: Executive Vice President-Finance

ENERGY ABSORPTION SYSTEMS, INC.

By: /s/ Myron R. Shain

Name: Myron R. Shain
Title: Vice President

DISC MANUFACTURING, INC.

By: /s/ Myron R. Shain

Name: Myron R. Shain
Title: President

STENOGRAPH CORPORATION

By: /s/ Myron R. Shain

Name: Myron R. Shain
Title: Vice President

LEGAL TECHNOLOGIES, INC.

By: /s/ Myron R. Shain

Name: Myron R. Shain
Title: Vice President

INTEGRATED INFORMATION SERVICES, INC.

By: /s/ Myron R. Shain

Name: Myron R. Shain
Title: Vice President

LITIGATION SCIENCES, INC.

By: /s/ Myron R. Shain

Name: Myron R. Shain
Title: Vice President

SAFE-HIT CORPORATION

By: /s/ Myron R. Shain

Name: Myron R. Shain
Title: Vice President

Document Number: SEVENTH.AMD

DISCOVERY PRODUCTS

By: /s/ Myron R. Shain

Name: Myron R. Shain
Title: Vice President

SPIN-CAST PLASTICS, INC.

By: /s/ Myron R. Shain

Name: Myron R. Shain
Title: Vice President

COURT TECHNOLOGIES, INC.

By: /s/ Myron R. Shain

Name: Myron R. Shain
Title: Vice President

COMPOSITE COMPONENTS, INC.

By: /s/ Myron R. Shain

Name: Myron R. Shain
Title: Vice President

EXHIBIT 10 (b)
SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE is made and entered into as of the 30th day of January, 1995, between UNITED INSURANCE COMPANY OF AMERICA, as "Landlord", and QUIXOTE CORPORATION, as "Tenant".

WHEREAS, Landlord and Tenant previously entered into a Lease (the "Lease"), pursuant to which Landlord leased to Tenant, and Tenant leased from Landlord, the premises commonly known as Suite 3000 on the 30th floor of the One East Wacker Drive Building, Chicago, Illinois, on the terms and provisions therein set forth.

WHEREAS, Landlord and Tenant thereafter entered into an amendment to the Lease (the "First Lease Amendment"), pursuant to which Suite 2320, located on the 23rd floor of the One East Wacker Drive Building, Chicago, Illinois (the "Expansion Space"), was added to the Premises under the Lease, on the terms and provisions set forth in the First Lease Amendment.

WHEREAS, Tenant recently expressed its desire to delete the Expansion Space from the Premises, and Landlord and Tenant have reached an agreement with respect to the deletion of the Expansion Space from the Premises, and they wish to set forth their agreement in said respects in writing.

NOW, THEREFORE, in consideration of the reciprocal agreements herein contained, and other good and valuable consideration, the adequacy and receipt whereof hereby is acknowledged, the parties hereto agree as follows:

1. the above recitals are incorporated in and made an express part of this Second Amendment to Lease.

2. As of December 31, 1994, the Expansion Space shall be deemed deleted from the Premises under the Lease; as of said date, the increases in the Base Rent which were set forth in paragraph 4 of the First Lease Amendment no longer shall be applicable; and as of said date, Tenant shall have no further rights or options as set forth in the First Lease Amendment. After said date, the Premises shall consist only of the Premises originally described in the Lease, and the Base Rent that is due and payable by Tenant under the Lease shall be reduced to the Base Rent originally set forth in the Lease.

3. Landlord hereby acknowledges receipt from Tenant of a Termination Fee, which was paid by Tenant to Landlord in consideration for Landlord's deletion of the Expansion Space from the Premises; and Landlord hereby acknowledges that Tenant has vacated and surrendered to Landlord possession of the Expansion Space.

4. Except as expressly stated herein, the Lease shall be and remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Lease Termination Agreement as of the date and year above first written.

LANDLORD:

United Insurance Company of America

By:/s/ David F. Bengston

Its: Vice President

TENANT:

Quixote Corporation

By:/s/ Myron R. Shain

Its: Vice President

EXHIBIT 10 (c)
THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE is made and entered into as of the 18th day of January, 1996, between UNITED INSURANCE COMPANY OF AMERICA, as "Landlord", and QUIXOTE CORPORATION, as "Tenant".

WHEREAS, Landlord and Tenant previously entered into a Lease (the "Lease"), pursuant to which Landlord leased to Tenant, and Tenant leased from Landlord, the premises commonly known as Suite 3000 on the 30th floor of the One East Wacker Drive Building, Chicago, Illinois, on the terms and conditions therein set forth.

WHEREAS, Landlord and Tenant thereafter entered into an amendment to the Lease (the "First Lease Amendment");, pursuant to which Suite 2320, located on the 23rd floor of the One East Wacker Drive Building, Chicago, Illinois, was added to the Premises under the Lease, on the terms and conditions set forth in the First Lease Amendment.

WHEREAS, thereafter entered into a second amendment to the Lease (the "Second Lease Amendment"), pursuant to which Suite 2320 was deleted from the Premises under the Lease, on the terms and conditions set forth in the Second Lease Amendment.

WHEREAS, Tenant has expressed its desire to add additional space to the Premises under the Lease, and Landlord and Tenant have reached an agreement with respect thereto.

NOW, THEREFORE, in consideration of the reciprocal agreements herein contained, and other good and valuable consideration, the adequacy and receipt whereof hereby is acknowledged, the parties hereto agree as follows:

1. the above recitals are incorporated in and made an express part of this Third Amendment to Lease.
2. As of February 1, 1996, certain space located on the 29th floor of the One East Wacker Drive Building, Chicago, Illinois, known as Suite 2900 and shown on Exhibit A-2 attached hereto and made a part hereof (the "Expansion Space") shall be added to the Premises under the Lease.
3. Effective February 1, 1996, the Base Rent that is payable by Tenant under the Lease shall be increased by the following amounts for the following periods:

DATE ----	ANNUAL RENT -----	MONTHLY RENT -----
2/1/96 - 1/31/97	\$11,157.72	\$ 929.81
2/1/97 - 1/31/98	\$11,380.87	\$ 948.41
2/1/98 - 1/31/99	\$11,608.49	\$ 967.38
2/1/99 - 1/31/00	\$11,840.66	\$ 986.72

2/1/00 - 1/31/01	\$12,077.47	\$1,006.46
2/1/01 - 1/31/02	\$12,319.02	\$1,026.59
2/1/02 - 1/31/03	\$12,565.40	\$1,047.12
2/1/03 - 1/31/04	\$12,816.71	\$1,068.06
2/1/04 - 2/28/04	\$ 1,089.42	\$1.089.42

If the Expansion Space is ready for occupancy hereunder and Tenant takes possession of the same prior to February 1, 1996, the Base Rent shall be increased for the period prior to February 1, 1996 by an amount equal to \$929.81 divided by 31 multiplied by the number of remaining days in January of 1996 from and after the date that Tenant takes possession; and Tenant's Proportionate Share shall be increased as hereinafter provided as of the date that Tenant so takes possession.

4. Effective February 1, 1996, Tenant's Proportionate Share of Additional Rent under the Lease shall be increased by 0.0042 (0.42%).

5. As soon as reasonably possible hereafter, Landlord shall paint the Expansion Space with building standard paint and shall carpet and pad the Expansion Space with building standard carpet and pad, in colors as shall be selected by Tenant from Landlord's available selections. In all other respects, Landlord is leasing to Tenant, and Tenant is leasing from Landlord, the Expansion Space in its existing condition, "as is"; and Landlord is making no promise, agreement, representation or warrant to Tenant with respect to the condition, repair, alteration or improvement of the Expansion Space.

6. Subject to the rights, if any, of Sussman, Selig & Ross, Tenant shall have the "right of first refusal" to lease any other space on the 29th floor of the Building, as provided in this Paragraph 6. If Landlord obtains a letter of intent or a written lease executed by a prospective tenant for the leasing of any space on the 29th floor of the Building, Landlord shall give Tenant written notice thereof, together with a copy of the letter of intent or written lease (as the case may be). Tenant then shall have seven (7) business days in which to notify Landlord in writing that Tenant wishes to lease the subject space on all of the terms and conditions set forth in the letter of intent or written lease (as the case may be). If Tenant so notifies Landlord, Tenant shall be deemed to have exercised its right of first refusal to lease the subject space; and Landlord and Tenant shall enter into a written amendment to this Lease, adding the subject space to the Premises and incorporating all of the business terms and conditions set forth in the letter of intent or written lease (as the case may be), including but not limited to those concerning rent, security deposit, length of term, Tenant's proportionate share, construction of tenant improvements and other tenant concessions. Notwithstanding the foregoing, the length of the term for the leasing of the subject space shall be coterminous with the Term of this Lease if Tenant exercises its right to first refusal during the first thirty-six (36) full calendar months hereafter. Such amendment shall be entered into between Landlord and Tenant within five (5) business days after Tenant exercises its right of first refusal as aforesaid or fails to execute a written lease amendment pursuant thereto as aforesaid, Tenant's right of first refusal shall be deemed to have lapsed with respect to the subject space; and Landlord will be free to enter into a written lease with the prospective

tenant on substantially the same terms and conditions as are contained in the letter of intent or written lease that was tendered by the prospective tenant.

7. Except as expressly stated herein, the Lease shall be and remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Third Amendment to Lease as of the date and year above first written.

LANDLORD:

TENANT:

United Insurance Company of America

Quixote Corporation

By:/s/ David F. Bengston

By:/s/ Myron R. Shain

Its: Vice President

Its: Vice President

EXHIBIT 10 (d)

Mr. Leslie J. Jezuit
2530 Saint Regis
Richmond, VA 23236

Dear Les,

On behalf of the Board of Directors of Quixote Corporation it is with pleasure that I offer to you the position as President and Chief Operating Officer of Quixote Corporation commencing December 29, 1995.

In this position you will be reporting directly to me in my capacity as Chairman and Chief Executive Officer of Quixote Corporation. Reporting to you, as of December 29, 1995, will be Myron R. Shain in his capacity as Chief Financial Officer of Quixote Corporation and in his capacity as President and Chief Operating Officer of Disc Manufacturing, Inc. (DMI) and James H. DeVries in his capacity as General Counsel as it relates to the activities of DMI.

Reporting to me until a future date, which shall be mutually agreed upon between us, will be George D. Ebersole in his capacity as President and Chief Operating Officer of Energy Absorption System, Inc. (EASI) and James H. DeVries as Secretary of Quixote Corporation and in his capacity as President and Chief Operating Officer of Legal Technologies, Inc. (LTI) and in his capacity as General Counsel as it relates to the activities of Quixote Corporation, EASI and LTI.

You shall also be elected by the Board of Directors of DMI to the position of Vice-Chairman of DMI, reporting to me as Chairman.

The following are the terms of your employment with Quixote Corporation which I believe are acceptable to you.

-Basic Salary: \$22,920 per month, half payable on the 15th and half payable on the 30th of each month. We will provide a base salary review after the first six months of employment.

-Annual Cash Bonus: A guaranteed bonus of \$100,000 for the first year's employment, payable \$50,000 on July 1, 1996 and \$50,000 on December 31, 1996. In addition, should your annual bonus for Fiscal 1997 as determined by the officers bonus plan as approved by the Compensation Committee of the board exceed \$50,000, you will receive the greater amount.

-Stock Options: An initial award of 40,000 shares. You will be

eligible for future awards as recommended by the CEO and determined and approved by the Compensation Committee.

-Company Automobile: The company will provide you with a leased automobile and all related expenses. The automobile type will be a top-line Audi or Lincoln Continental.

-Downtown Luncheon Club: The company will reimburse you for the initiation fee, monthly dues and all business related expenses.

-Term of Employment and Service: The initial term of employment shall be one year. If a termination for any reason other than cause occurs within the first year, the company shall not be obligated for any additional payments other than those outlined in this letter.

-If a termination occurs for any reason other than cause after the first year's employment, you shall receive one year's base salary paid monthly. In addition, the company will provide you with reasonable outplacement services.

-Benefits: You will participate in our standard benefit plans, including 401K and group life, health and dental with the executive supplement.

-Retirement: You would be eligible to participate in our plan consistent with its terms of eligibility.

-Vacation: You will receive three weeks vacation after one year's employment. In addition, as requested, we will provide one week's paid vacation from August 26 to 30, as you have currently planned.

-Relocation: The company shall provide the following assistance in relocating your family to the Chicago area. Any additional expenses you anticipate incurring must receive the approval of the CEO.

-Up to two house hunting trips for you and Janet, which would not exceed a total of seven days.

-Purchase expenses for the new residence including legal and recording fees, stamp duties, escrow fees, survey fees, title insurance and search costs, and loan placement charges other than points.

-Selling expenses for the old residence which would include appraisal fees, broker/agent commission, legal fees including title costs, stamp duties, mortgage or other legally required costs.

-Principal interest, taxes and insurance monthly costs in the amount of \$2,519.37 on the current residence for a period not to exceed one year.

Principal payments made will be reimbursed to Quixote upon closing. The home must be listed at the average of two independent appraisals,

unless they differ by more than 10%. If they differ by more than 10%, a third appraisal should be secured.

-The company will guarantee a loan in the amount of your current home equity of \$145,000 and pay the interest on it until your current house sells and closes, for a period not to exceed one year.

-Interim accommodation costs for up to six months which are limited to lodging, meals and laundry, and may be extended month to month with prior approval of the CEO for unusual circumstances, but in any event not to exceed one year. In addition, you may travel home every other weekend at company expense and where possible combine these home visits with business related travel.

-Transportation, insurance, packing and unpacking of household contents including up to two automobiles.

-A one-time relocation allowance of \$15,000 to cover all relocation items not specifically identified in this letter.

-A "gross up" equal to the tax liability created by the direct reimbursement of eligible and approved expenses related to your relocation.

Should this be your understanding of the conditions of your employment with Quixote Corporation, please acknowledge your agreement and acceptance by signing the enclosed copy of this letter and returning it to me.

I, and your colleagues at Quixote Corporation, look forward to welcoming you to Quixote Corporation and to working closely with you in the months and the years ahead to make Quixote Corporation a bigger and more profitable enterprise.

Sincerely,

/s/ Philip E. Rollhaus

ACCEPTED

/s/ Leslie J. Jezuit

Date: December 18, 1995

EXHIBIT 10 (e)
AGREEMENT

January 5, 1996

Reference is made to that certain Surviving Stockholders Agreement (the "Surviving Stockholders Agreement") dated April 12, 1995 by and among Quantic Industries, Inc. (the "Company"), James S. Fetherston ("Fetherston"), Charles G. Davis, Jr., individually and as trustee ("Davis"), Energy Absorption Systems, Inc. ("Energy"), and certain other parties. The parties hereto hereby agree that the Surviving Stockholders Agreement is modified as follows:

1. The date appearing in Section 5(a) of the Surviving Stockholders Agreement is hereby changed from January 6, 1996 to February 29, 1996.

2. The date appearing in Section 5(b) of the Surviving Stockholders Agreement is hereby changed from January 6, 1996 to February 29, 1996.

3. The date appearing in Section 6(b) of the Surviving Stockholders Agreement is hereby changed from January 6, 1996 to February 29, 1996.

4. The date appearing in the first paragraph of Section 7 of the Surviving Stockholders Agreement is hereby changed from January 6, 1996 to February 29, 1996.

Agreed to and accepted as of the date first written above.

Quantic Industries, Inc.

By: /s/ James S. Fetherston

Its: Chairman

Energy Absorption Systems, Inc.

By: /s/ Philip E. Rollhaus, Jr.

Its: Chairman

/s/ James S. Fetherston

James S. Fetherston

/s/ Charles G. Davis, Jr.

Charles G. Davis, Jr.,
individually and as Trustee of
Charles G. Davis, Jr. 1990
Trust Agreement dated 1/27/90

EXHIBIT 10 (f)
ASSIGNMENT AGREEMENT

This Assignment Agreement is effective as of this 10th day of January, 1996 by and between Energy Absorption Systems, Inc., a Delaware corporation ("Energy"), and Barrier Systems, Inc., a California corporation ("BSI").

W I T N E S S E T H:

WHEREAS, Energy owns the entire right, title and interest in and to certain Patents (as defined herein) related to Barriers (as defined herein) and to methods or devices for moving such Barriers, and certain Licenses (as defined herein) granted in connection with such Patents; and

WHEREAS, Energy desires to sell and assign all of its right, title and interest in the Patents subject only to the Licenses to BSI, and BSI desires to buy and accept such assignment of the Patents subject to the Licenses, all in exchange for the consideration described herein;

NOW, THEREFORE, IT IS AGREED:

1 Definitions.

1.1 Patents. "Patents" means the patents and patent applications listed in Schedule 1.1 and all related patents or patent applications if any, whether previously or subsequently filed, which correspond to or claim the priority of any of the patents and patent applications listed in Schedule 1.1 and attached hereto, including all divisions, continuations, continuations-in-part and reissues thereof.

1.2 Licenses. "Licenses" shall mean the licenses of the Patents listed in Schedule 1.2 and attached hereto.

1.3 Barriers. "Barriers" means (a) any transferable roadway barrier having an upper end defining continuous lifting ledges for receiving rollers that lift and suspend the barrier, and (b) any barrier transport device with a rigid conveyor having a fixed S-shaped configuration that lifts and suspends a barrier as it moves across one or more traffic lanes.

1.4 CMR License. "CMR License" means the Agreement of November 2, 1983 between the Commissioner of Main Roads ("CMR") and Quick-Steel Engineering Party Limited ("Quick-Steel Engineering") whereunder CMR, as Licensor, grants to Quick-Steel Engineering, as Licensee, a non-exclusive license to manufacture, use and sell moveable lane dividing strip

structures for roadways pursuant to an Australian Patent No. 482604.

2 Assignment.

2.1 Assignment of Patents. Energy hereby assigns to BSI its entire right, title and interest in and to the Patents, subject only to the Licenses, and its rights, if any, to past damages arising from the Patents.

2.2 Assignment of Licenses. Energy hereby assigns to BSI its entire right, title and interest in and to the Licenses.

2.3 Assignment of Litigation. Energy will assign to BSI, at BSI's request, all of Energy's right, title and interest in and to the Litigation, as such term is defined in Section 5.4 below.

3 Consideration.

3.1 Payments. In exchange for the assignments described in Section 2, BSI hereby agrees to pay Energy One Million Nine Hundred Sixty Thousand and Sixty-Eight Dollars and Ninety Cents (\$1,960,068.90) on the date hereof.

3.2 Assumption of Licenses. As further consideration for the assignments described in Section 2, BSI hereby assumes all of the obligations of Energy under the Licenses, and will indemnify Energy against any and all liabilities (including but not limited to reasonable attorneys fees) arising after the date hereof from the Licenses and from the assignment of the Licenses to BSI.

3.3 Forgiveness of Royalties. Energy hereby forgives, releases and cancels in full BSI's obligation to pay to Energy royalties that are not yet payable on the date hereof, pursuant to the terms of that certain amended and restated License Agreement between Quick-Steel Engineering Party Limited and Barrier Systems, Inc. dated May 1, 1989, amending and restating the Agreement between Quick-Steel Engineering and Carson Manufacturing Company dated May 10, 1983 (the "BSI License").

4 CMR License.

4.1 Acknowledgments by BSI. BSI acknowledges that it is aware of the terms of the CMR License. BSI acknowledges that Section 10(b) of the CMR License prohibits the licensee from assigning its rights thereunder without the prior consent in writing of CMR, and that such consent shall not be unreasonably withheld. BSI further acknowledges that Energy has not obtained the consent of CMR to its assignment to BSI of the CMR License.

4.2 Conflict with CMR License. Energy represents and warrants that, to the best of its knowledge without any investigation and based solely on

the representations of Quick-Steel Engineering (i) the devices described in the Patents are not "Improvements" as that term is defined in the CMR License, and (ii) the present commercial versions of the products covered by the Patents do not embody the "Technology" and are not licensed "Products" as those terms defined in the CMR License. Energy represents and warrants that Energy has not paid and is not liable for the payment of any royalties to CMR pursuant to the CMR License.

4.3 Consent of CMR. Notwithstanding the assignment by Energy of whatever rights and interests it may have in the CMR License, BSI acknowledges that Energy does not intend to seek the consent of CMR in connection with this transaction. BSI will consummate the transactions contemplated herein without requiring Energy to obtain CMR's consent to the assignment of its interests in the CMR License.

5 Further Assistance.

5.1 Communication with Patent Advisors; Files and Records. Energy will promptly instruct its patent advisors for each of the Patents to disclose and release all files related to the Patents to BSI. Energy will cooperate with BSI, at BSI's expense, in all reasonable ways in further prosecution and other activities related to the Patents.

5.2 Documentation of Assignments. Energy will promptly execute any additional documents required by BSI to carry out the assignments of this Agreement, including recordable assignments for the Patents.

5.3 Notices to Licenseholders. Energy will cooperate with BSI to send appropriate written notices pertaining to the assignment of the Licenses, as required by the Licenses or as otherwise reasonably requested by BSI.

5.4 Canadian Litigation. BSI recognizes and acknowledges that upon consummation of the assignment to BSI of the Patents and Licenses, Energy will take action to remove itself from all litigation pending in Canada relating to the Patents ("Litigation"). Energy will cooperate with BSI concerning the Litigation; provided, however, if BSI elects to pursue the Litigation after the assignment of the Patents and Licenses, BSI agrees to indemnify and hold Energy harmless from any damages Energy suffers arising after the date hereof from BSI's continued participation in the Litigation.

6 Covenants of Energy.

6.1 Non-Disclosure. Energy agrees that (except as otherwise required in the performance of its obligations hereunder) it will not directly or indirectly use for the benefit of anyone other than BSI, or disclose to others, any confidential information or data relating to Barriers, including, without limitation, confidential information and data relating to Barriers, the Patents, and Licenses; provided however, BSI acknowledges and agrees that Energy's parent company may disclose information regarding

this Agreement and the transactions contemplated herein in order to comply with its public company reporting obligations under the securities laws.

6.2 Records. Energy shall deliver to BSI within five (5) days of the date hereof the originals and all copies of all records and confidential information and data related to Barriers, the Patents, and Licenses including without limitation, notes, lists, models, drawings and sketches, blueprints and technical documentation, prepared by Energy or its assignor (or their agents) or otherwise in Energy's possession, on or prior to the date of this Agreement.

6.3 Non-competition. For a period from the date hereof until three (3) years after the last to expire of the Patents, Energy shall not sell directly or indirectly any product that would infringe the Patents or that could be substituted for existing applications of the Product in the Territory as of the date hereof without prior approval of BSI; provided, however, that the foregoing restriction shall not apply to any Energy product or product line, including future modifications of such products, which are identified in Schedule 6.3 attached hereto and incorporated herein. For purposes of this Section 6.3, (i) Product shall mean a moveable barrier system as described in United States patent numbers 4,498,803, 4,500,225 or 4,624,601 consisting of a series of moveable barriers, transfer vehicle(s) and ancillary equipment necessary to allow the barrier system to function properly, and (ii) Territory shall mean those countries of the world where any of the Patents have been issued.

7 Representations and Warranties of Energy.

7.1 Accuracy and Completeness of Disclosure. Energy represents and warrants: (a) Schedule 1.1 lists all of the patents and patent applications which both (i) are in any way related to Barriers or to methods or devices for moving Barriers and (ii) are owned in whole or in part by Energy; and (b) (i) Schedule 1.2 lists all of the licenses which have been granted in connection with such Patents, and (ii) that except as listed on Schedule 1.2, there are no other agreements, arrangements, contracts or understandings which govern or relate to the Patents and the Licenses.

7.2 Ownership. Energy represents and warrants that as of the date of this Agreement, Energy holds all right, title and interest in and to the patents and patent applications of Schedule 1.1 (except for the rights granted to third parties by the Licenses of Schedule 1.2).

7.3 Right to Assign. Energy represents and warrants that subject to the provisions of Section 4 and the Licenses, Energy has the right to assign the rights assigned by this Agreement, except as required by the CMR License.

7.4 Payment of Maintenance Fees. Energy represents and warrants that all maintenance fees on the Patents due on or before December 31, 1995 have been paid by Energy.

7.5 No Conflicting Agreements. Energy represents and warrants that it is not a party to any other agreement, the terms and conditions of which, would prevent or interfere with its obligations under this Agreement. Energy represents and warrants that to the best of Energy's knowledge, except as set forth on Schedule 7.5, there are no disputes between Energy and any third party to said Licenses, and there are no disputes between Energy and any third party to any other agreements, contracts, understandings or arrangements regarding the subject matter of this Agreement.

7.6 Information Regarding Licenses, Contracts. Energy represents and warrants that it has delivered to BSI true, accurate and complete copies of all Licenses and all other contracts, agreements, understandings or arrangements which govern or relate to Barriers, the Patents, and the Licenses. Except with respect to the BSI License, Energy hereby represents and warrants that it is not in default under or in breach or violation of any term or provision of any of the Licenses, or any other contract, agreement, understanding or arrangement which governs or relates to Barriers, the Patents or the Licenses, and, to Energy's knowledge, no other party to any License or any other such contract, agreement, understanding or arrangement is in default thereunder, except as set forth on Schedules 7.5 and 7.8.

7.7 Status of Licenses, Contracts. Energy represents and warrants that the parties to the Licenses described on Schedule 1.2 have made reports and paid royalties through the dates set forth on Schedule 7.7.

7.8 No Infringement Actions. Energy represents and warrants (a) that there are no infringement actions or any other legal proceedings, pending or, to Energy's best knowledge, threatened, with respect to the Patents except as set forth on Schedule 7.8, and (b) that, to the best of Energy's knowledge, the systems claimed in the Patents do not infringe any other patent or rights.

8 Representations and Warranties of BSI.

8.1 Right to Enter Agreement. BSI represents and warrants that it has the power and authority to enter into this Agreement and to undertake the obligations contemplated herein.

8.2 No Conflicting Agreements. BSI represents and warrants that it is not a party to any other agreement, the terms and conditions of which, would prevent or interfere with its obligations under this Agreement. BSI represents and warrants that except as set forth on Schedule 8.2, there are no disputes between BSI, Energy or, to BSI's best knowledge, any third party to said Licenses, and there are no disputes between BSI and any third party to any other agreements, contracts, understandings or arrangements regarding the subject matter of this Agreement.

8.3 Copies of Licenses, Contracts. BSI represents and warrants that it has received from Energy copies of all Licenses and all other contracts, agreements, understandings or arrangements listed on Schedule 1.2 attached hereto.

8.4 No Infringement Actions. BSI represents and warrants that to the best of its knowledge there are no infringement actions or any other legal proceedings, pending or threatened, with respect to the Patents except as set forth on Schedule 7.8, and that the systems shown in the Patents do not infringe any other patent or rights.

8.5 Disclosure. BSI represents and warrants that to the best of its knowledge, Schedule 1.2 lists all of the Licenses that are in any way related to the Patents.

9 Miscellaneous Provisions

9.1 Expenses. All expenses incurred by any party hereto shall be borne by the party incurring the same.

9.2 Notices. Any notice expressly provided for under this Agreement shall be in writing, and shall be deemed given and effective when delivered in hand or received by courier or telecopy or, if mailed, on the third day after the date of mailing if sent by certified or registered mail, return receipt requested, postage prepaid, addressed to such party at the address for such party set below. Any party and any representative designated below may, by notice to the others, change its address for receiving such notices.

Address for notices to Energy:

George D. Ebersole, President
Energy Absorption Systems, Inc.
One E. Wacker Drive, Suite 3000
Chicago, Illinois 60601
Fax No. (312) 467-9928

with a copy to:

Anne Hamblin Schiave
McBride Baker & Coles
500 West Madison Street, 40th Floor
Chicago, Illinois 60606
Fax No. (312) 993-9350

Address for notices to BSI:

John W. Duckett, President
Barrier Systems, Inc.
1100 East William Street, Suite 206

Carson City, NV 89701-3104
Fax No. (702) 885-2598

with a copy to:

John V. Erickson, Esq.
Collette & Erickson
555 California Street, Suite 4350
San Francisco, CA 94104
Fax No. (415) 788-6929

9.3 Severability. In case any provision in this Agreement shall be held invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby.

9.4 Third Party Beneficiaries. Each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto.

9.5 Assignment and Benefits of Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties or their respective successors, but may not be assigned by any of the foregoing without the written consent of the others. Except as aforesaid, nothing in this Agreement, express or implied, is intended to confer upon any person other than the parties hereto and their said successors and assigns, any rights under or by reason of this Agreement.

9.6 Construction of Agreement. Section headings shall have no effect on the interpretation of this Agreement. This Agreement has been negotiated by the respective parties hereto and their attorneys and the language hereof shall not be construed for or against any party. A reference to a Section, an Exhibit or a Schedule shall mean a section in or an exhibit or schedule to this Agreement unless otherwise explicitly set forth.

9.7 Entire Agreement; Counterparts, Etc. This Agreement and Schedules and Exhibits attached hereto constitute the entire agreement among the parties as to the subject matter of this Agreement. This Agreement may be executed in one or more counterparts, all of which shall constitute one and the same instrument.

9.8 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

ENERGY ABSORPTION SYSTEMS, INC.

By: /s/George D. Ebersole

George D. Ebersole, President

BARRIER SYSTEMS, INC.

By: /s/John W. Duckett

John W. Duckett, President

Schedule 1.1

Patents

Title of Patent -----	Inventor -----	Country -----	Patent Number -----	Date Issued -----
Transferable Roadway Lane Divider	John P. Quittner	Australia	535,245	29/6/84
Transferable Lane Divider	John P. Quittner	Australia	576,754	3/1/89
Transferable Lane Divider	John P. Quittner	Austria	0125817*	18/3/87
Transferable Lane Divider	John P. Quittner	Belgium	125,817*	18/3/87
Transferable Roadway Lane Divider	John P. Quittner	Canada	1,176,848	30/10/84
Transferable Roadway Lane Divider	John P. Quittner	Canada	1,208,469	29/7/86
Transferable Lane Divider	John P. Quittner	Canada	1,230,001	08/12/87
Transferable Lane Divider	John P. Quittner	Canada	1,232,784	16/2/88
Transferable Lane Divider	John P. Quittner	Federal Republic	0125817*	18/3/87

of Germany

Transferable Lane Divider	John P. Quittner	France	125,817*	18/3/87
Transferable Lane Divider	John P. Quittner	Italy	125,817*	18/3/87
Transferable Lane Divider	John P. Quittner	Japan	1732493	17/2/93
Transferable Lane Divider	John P. Quittner	Luxembourg	125,817*	18/3/87
Transferable Lane Divider	John P. Quittner	Malaysia	U1-9102410 (Pending)	27/12/91 (Filing Date)
Transferable Lane Divider	John P.	Malaysia	U1-9102411 (Pending)	27/12/91 (Filing Date)
Transferable Lane Divider	John P. Quittner	The Netherlands	125,817*	18/3/87
Transferable Lane Divider	John P. Quittner	Sweden	125,817*	18/3/87
Transferable Lane Divider	John P. Quittner	Switzerland	125,817*	18/3/87
Transferable Lane Divider	John P. Quittner	United Kingdom	125,817*	18/3/87
Moveable Lane Barrier Locking System	John P. Quittner	United States	4,498,803	12/02/85
Transferable Roadway Lane Divider	John P. Quittner	United States	4,500,225	19/02/85
Transferable Roadway Lane Divider	John P. Quittner	United States	4,624,601	25/11/86

* Energy has discovered that the disclosure of Australian Patent No. 535,245 qualifies as prior art against these patents, which will narrow the scope of the patents.

Schedule 1.2

Licenses

1. Amended and Restated License Agreement between Quick-Steel Engineering Party Limited and Barrier Systems, Inc. dated May 1, 1989, amending and restating the Agreement between Quick-Steel Engineering and Carson Manufacturing Company dated May 10, 1983.
2. Agreement between Quick-Steel Engineering Party Limited and Carson Manufacturing Company dated May 10, 1983, which may have been amended from time to time.
3. Agreement between Quick-Steel Engineering Party Limited and Techniques Speciale De Securite dated December 1, 1983 relating to a transferable roadway lane divider, and amended on April 16, 1984.
4. Agreement between Quick-Steel Engineering Party Limited and Techniques Speciale De Securite dated December 1, 1983 relating to a moveable media strip.
5. Transfer of License Agreement between EMT-International BV. and Techniques Speciale De Securite dated July 1, 1987. [deemed rescinded]
6. License Agreement between the Commissioner of Main Roads and Quick-Steel Engineering Party Limited, dated November 2, 1983.

Schedule 6.3

Permanent Mounted Attenuators

G-R-E-A-T (Registered Trademark) System
Hi-Dro (Registered Trademark) Sandwich System
Hex-Foam (Registered Trademark) Sandwich System
The N-E-A-T'
LMA (Registered Trademark)
Hi-Dro' Cell Cluster
Brakemaster (Registered Trademark) System

Work Zone Attenuators

Energite (Registered Trademark) Inertial Barrier Systems
The N-E-A-T'
G-R-E-A-T (Registered Trademark) CZ
TRITON (Registered Trademark) BARRIER

Truck Mounted Attenuators

Hex Foam (Registered Trademark) TMA
Alpha 1000 (Registered Trademark)
Alpha 2001 MD (Registered Trademark)
Alpha 60 MD (Registered Trademark)

Cushion Wall'
Barrier Gate (Registered Trademark)

Guardrail and GuardRail End Treatments
Sentre (Registered Trademark)
Trend (Registered Trademark)
W-Beam
Thrie Beam

RTA'

Longitudinal Barrier
TRITON (Registered Trademark) BARRIER

Miscellaneous Products
MP-3 (Registered Trademark) Anchors

QuadGuard Attenuator

Schedule 7.5

Conflicting Agreements, Disputes

1. Energy and TSS believe that Gaillednat of 17, Rue Pierre Rigaud, 94200 Ivry Sur Seine, France is infringing the patents.

2. Energy believes that TSS may not be paying royalties on all royalty-bearing transactions. See correspondence between Messrs. Dreznes and Tabailon dated June 19, 1995, attached hereto.

Schedule 7.7

Royalty Payment Schedule

License	Royalty Payments On Sales Made Since 7/1/94	Royalty Payments Made On Sales Made for Period Ended
BSI	\$ 546,157.74	September 30, 1995
TSS	93,373.41	September 30, 1995

Schedule 7.8

Infringement Actions and Other
Legal Proceedings

1. Canada Federal Court File No. T-2197-92.
Energy Absorption Systems, Inc., Plaintiff, and 2859-7888 Quebec Inc., Richard Capuano, 2704927 Canada Inc., Les Services de Beton Universels Ltee, Defendants.
2. Canada Federal Court File No. T-2394-94
Energy Absorption Systems, Inc., Plaintiff, and D.I.M.S. Construction Inc., Defendant.
3. Canada Federal Court No. T-1154-95
Energy Absorption Systems, Inc., Plaintiff, and Gilles Richer, Signalisation LASM Inc., 9015-2539 Quebec Inc., Richard Bourdon, LaCroix Industries, 2842-6351 Quebec Inc., c.o.b. as Signalisation Laurentienne, Mole Construction Inc., John Doe, Jane Doe, and Doe Corporation, Defendants.
4. Quebec Superior Court Action No. 500-05-009072-925
2704927 Canada Inc., Plaintiff, and Les Services de Beton Universels Ltee, Defendant, and Energy Absorption Systems, Inc., Intervenant.

Schedule 8.2

BSI Disputes

None.

EXHIBIT 11
 QUIXOTE CORPORATION AND SUBSIDIARIES
 Computation of Net Earnings Per Average Common
 and Common Equivalent Share

<TABLE>
 <CAPTION>

	For the Three Months Ended December 31, 1995	
	Primary	Fully Diluted
	<C>	<C>
Net earnings as reported	\$ 317,000	\$ 317,000
Add interest expense and deferred charge amortization (net of income taxes)		245,000 (1)
Adjusted net earnings for computation (A)	\$ 317,000	\$ 562,000
	\$ 317,000	\$ 562,000
Average common shares outstanding would be adjusted for the additional shares that would be issued assuming conversion of the debentures and exercise of stock options as follows:		
Weighted average shares outstanding	7,863,168	7,863,168
Shares assumed issued upon conversion of debentures		1,051,316
Incremental shares outstanding assuming exercise of stock options using the treasury stock method	126,579	126,579
Average common and common equivalent shares outstanding (B)	7,989,747	9,041,063
Net earnings per common and common equivalent shares (A/B)	\$.04	\$.06

<FN>
 Notes:

(1) Net earnings for the full diluted calculation are adjusted for interest expense and deferred charge amortization, assuming exercise of the conversion privilege on the 8% convertible debentures.

</TABLE>

EXHIBIT 11
QUIXOTE CORPORATION AND SUBSIDIARIES
Computation of Net Earnings Per Average Common
and Common Equivalent Share

<TABLE>

<CAPTION>

	For the Six Months Ended December 31, 1995	
	Primary	Fully Diluted
	-----	-----
<S>	<C>	<C>
Net loss as reported	\$ (10,245,000)	\$ (10,245,000)
Add interest expense and deferred charge amortization (net of income taxes)	-----	490,000 (1) -----
Adjusted net loss for computation (A)	\$ (10,245,000)	\$ (9,755,000)
	=====	=====
Average common shares outstanding would be adjusted for the additional shares that would be issued assuming conversion of the debentures and exercise of stock options as follows:		
Weighted average shares outstanding	7,863,056	7,863,056
Shares assumed issued upon conversion of debentures		1,051,316
Incremental shares outstanding assuming exercise of stock options using the treasury stock method	126,579	126,579
	-----	-----
Average common and common equivalent shares outstanding (B)	7,989,635	9,041,951
	=====	=====
Net loss per common and common equivalent share (A/B)	\$ (1.28)	\$ (1.08)
	=====	=====

<FN>

Notes:

(1) Net earnings for the fully diluted calculation are adjusted for interest expense and deferred charge amortization, assuming exercise of the conversion privilege on the 8% convertible debentures.

</TABLE>

EXHIBIT 11
QUIXOTE CORPORATION AND SUBSIDIARIES
Computation of Net Earnings per Average Common
and Common Equivalent Share

<TABLE>

<CAPTION>

	For the Three Months Ended December 31, 1994	
	Primary	Fully Diluted
	-----	-----
<S>	<C>	<C>
Net earnings as reported	\$ 877,000	\$ 877,000
Add interest expense and deferred charge amortization (net of income taxes)	-----	245,000 (1)
	-----	-----
Adjusted net earnings for computation (A)	\$ 877,000	\$1,122,000
	=====	=====
Average common shares outstanding would be adjusted for the additional shares that would be issued assuming conversion of the debentures and exercise of stock options as follows:		
Weighted average shares outstanding	7,815,798	7,815,798
Shares assumed issued upon conversion of debentures		1,051,316
Incremental shares outstanding assuming exercise of stock options using the treasury stock method	365,388	365,388
	-----	-----
Average common and common equivalent shares outstanding (B)	8,181,186	9,232,502
	=====	=====
Net earnings per common and common equivalent shares (A/B)	\$.11	\$.12
	=====	=====

<FN>

Notes:

(1) Net earnings for the full diluted calculation are adjusted for interest expense and deferred charge amortization, assuming exercise of the conversion privilege on the 8% convertible debentures.

</TABLE>

EXHIBIT 11
QUIXOTE CORPORATION AND SUBSIDIARIES
Computation of Net Earnings Per Average Common
and Common Equivalent Share

<TABLE>

<CAPTION>

	For the Six Months Ended December 31, 1994	
	Primary	Fully Diluted
	-----	-----
<S>	<C>	<C>
Net earnings as reported	\$2,965,000	\$2,965,000
Add interest expense and deferred charge amortization (net of income taxes)	-----	491,000 (1) -----
Adjusted net earnings for computation (A)	\$2,965,000 =====	\$3,456,000 =====
Average common shares outstanding would be adjusted for the additional shares that would be issued assuming conversion of the debentures and exercise of stock options as follows:		
Weighted average shares outstanding	7,813,127	7,813,127
Shares assumed issued upon conversion of debentures		1,051,316
Incremental shares outstanding assuming exercise of stock options using the treasury stock method	365,388 -----	365,388 -----
Average common and common equivalent shares outstanding (B)	8,178,515 =====	9,229,831 =====
Net earnings per common and common equivalent share (A/B)	\$.36 =====	\$.37 =====

<FN>

Notes:

(1) Net earnings for the fully diluted calculation are adjusted for interest expense and deferred charge amortization, assuming exercise of the conversion privilege on the 8% convertible debentures.

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