

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-03-16** | Period of Report: **1994-01-31**  
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### FILER

#### LITTON INDUSTRIES INC

CIK: **59880** | IRS No.: **951775499** | State of Incorpor.: **DE** | Fiscal Year End: **0731**  
Type: **10-Q** | Act: **34** | File No.: **001-03998** | Film No.: **94516312**  
SIC: **3812** Search, detection, navigation, guidance, aeronautical sys

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BEVERLY HILLS CA 90210  
3108595000

## FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

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

For the quarterly period ended January 31, 1994

OR

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

Commission file number 1-3998

LITTON INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

&lt;TABLE&gt;

<S>	Delaware	<C>	95-1775499
	(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)
	360 North Crescent Drive, Beverly Hills, California		90210-4867
	(Address of principal executive offices)		(Zip Code)

&lt;/TABLE&gt;

Registrant's telephone number, including area code: (310) 859-5000

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  No

On February 28, 1994 there were 45,724,900 shares of Common Stock outstanding.

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LITTON INDUSTRIES, INC. AND SUBSIDIARY COMPANIES

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REPORT ON FORM 10-Q

FOR QUARTER ENDED JANUARY 31, 1994

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements  
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LITTON INDUSTRIES, INC. AND SUBSIDIARY COMPANIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(thousands of dollars, except per share amounts)

<TABLE>  
<CAPTION>

	Six Months Ended	
	January 31,	
	1994	1993
<S>	<C>	<C>
Sales and Service Revenues	\$1,644,977	\$1,627,422
Costs and Expenses		
Cost of sales	1,322,332	1,298,645
Selling, general and administrative	172,321	172,371
Depreciation and amortization	49,277	54,158
Interest - net	18,137	31,835
Total	1,562,067	1,557,009
Earnings from Continuing Operations before Taxes		
on Income and Cumulative Effect of a Change in		
Accounting Principle	82,910	70,413
Taxes on Income	(33,579)	(27,779)
Earnings from Continuing Operations		
before Cumulative Effect of a Change		
in Accounting Principle	49,331	42,634
Discontinued Operations:		
Results of Western Atlas Inc. to be Distributed		
to Litton Shareholders	(165,614)	44,560
Earnings (Loss) before Cumulative Effect of a Change		

in Accounting Principle	(116,283)	87,194
Cumulative Effect of a Change in Accounting Principle		
Continuing Operations	-	(106,727)
Discontinued Operations:		
Results of Western Atlas Inc. to be Distributed to Litton Shareholders	-	(10,390)
-----		
Net Loss	\$ (116,283)	\$ (29,923)
=====		

</TABLE>

See accompanying notes to consolidated financial statements.

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LITTON INDUSTRIES, INC. AND SUBSIDIARY COMPANIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(thousands of dollars, except per share amounts)  
(continued)

<TABLE>  
<CAPTION>

	Six Months Ended January 31,	
	1994	1993
	-----	
<S>	<C>	<C>
Primary Earnings (Loss) per Share		
Earnings before Cumulative Effect of a Change in Accounting Principle		
Continuing Operations	\$ 1.07	\$ 1.04
Discontinued Operations:		
Results of Western Atlas Inc. to be Distributed to Litton Shareholders	(3.63)	1.10
Cumulative Effect of a Change in Accounting Principle		
Continuing Operations	-	(2.64)
Discontinued Operations:		
Results of Western Atlas Inc. to be Distributed to Litton Shareholders	-	(0.25)
-----		
Net Loss Per Share	\$ (2.56)	\$ (0.75)
=====		

Fully Diluted Earnings (Loss) per Share		
Earnings before Cumulative Effect of a Change in Accounting Principle		
Continuing Operations	\$ 1.07	\$ 1.04
Discontinued Operations:		
Results of Western Atlas Inc. to be Distributed to Litton Shareholders	(3.63)	1.10
Cumulative Effect of a Change in Accounting Principle		
Continuing Operations	-	(2.64)
Discontinued Operations:		
Results of Western Atlas Inc. to be Distributed to Litton Shareholders	-	(0.25)
-----		
Net Loss Per Share	\$ (2.56)	\$ (0.75)
=====		

</TABLE>

See accompanying notes to consolidated financial statements.

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LITTON INDUSTRIES, INC. AND SUBSIDIARY COMPANIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(thousands of dollars, except per share amounts)

<TABLE>  
<CAPTION>

	Three Months Ended January 31,	
	1994	1993
<S>	<C>	<C>
Sales and Service Revenues	\$ 803,928	\$753,858
Costs and Expenses		
Cost of sales	645,442	596,327
Selling, general and administrative	86,511	84,744
Depreciation and amortization	24,217	26,748
Interest - net	8,493	15,622
Total	764,663	723,441
Earnings from Continuing Operations before Taxes on Income	39,265	30,417
Taxes on Income	(15,861)	(12,002)
Earnings from Continuing Operations	23,404	18,415
Discontinued Operations:		
Results of Western Atlas Inc. to be Distributed to Litton Shareholders	(174,704)	26,019
Net Earnings (Loss)	\$ (151,300)	\$ 44,434
Primary Earnings (Loss) per Share		
Earnings from Continuing Operations	\$ 0.51	\$ 0.44
Discontinued Operations:		
Results of Western Atlas Inc. to be Distributed to Litton Shareholders	(3.83)	0.63
Net Earnings (Loss) Per Share	\$ (3.32)	\$ 1.07
Fully Diluted Earnings (Loss) per Share		
Earnings from Continuing Operations	\$ 0.51	\$ 0.45
Discontinued Operations:		
Results of Western Atlas Inc. to be Distributed to Litton Shareholders	(3.83)	0.55
Net Earnings (Loss) Per Share	\$ (3.32)	\$ 1.00

</TABLE>

See accompanying notes to consolidated financial statements.

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LITTON INDUSTRIES, INC. AND SUBSIDIARY COMPANIES  
CONSOLIDATED BALANCE SHEETS  
(thousands of dollars)

<TABLE>  
<CAPTION>

	January 31, 1994	July 31, 1993
<S>	<C>	<C>
ASSETS		
Current Assets		
Cash and marketable securities	\$ 257,430	\$ 353,737
Accounts receivable	353,650	470,970
Inventories less progress billings	489,694	509,078
Prepaid taxes on income and other expenses	332,767	326,756
Receivable from Western Atlas Inc.	567,710	-
Total Current Assets	2,001,251	1,660,541
Property, Plant and Equipment - at cost	1,502,251	1,557,386
Less accumulated depreciation	(897,415)	(919,348)
Net Property, Plant and Equipment	604,836	638,038
Goodwill and Other Intangibles, Net	136,094	137,193

Long-term Investments and Other Assets (Includes \$100 million due from Western Atlas Inc. at July 31, 1993)	262,360	313,298
Net Assets of Western Atlas Inc. to be Distributed to Litton Shareholders	946,089	1,085,353
Total Assets	\$3,950,630	\$3,834,423

</TABLE>

See accompanying notes to consolidated financial statements.

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LITTON INDUSTRIES, INC. AND SUBSIDIARY COMPANIES  
CONSOLIDATED BALANCE SHEETS  
(thousands of dollars)  
(continued)

<TABLE>

<CAPTION>

	January 31, 1994	July 31, 1993
<S>	<C>	<C>
LIABILITIES AND SHAREHOLDERS' INVESTMENT		
Current Liabilities		
Accounts payable	\$ 540,966	\$ 546,349
Payrolls and related expenses	232,248	263,801
Taxes on income	116,205	152,029
Notes payable and current portion of long-term obligations	304,901	65,721
Customer deposits and contract liabilities	266,358	197,335
Total Current Liabilities	1,460,678	1,225,235
Long-term Obligations	99,442	106,474
Postretirement Benefit Obligations other than Pensions	187,182	183,032
Deferred Taxes on Income and Other Deferred Items	214,709	220,159
Subordinated Debt	435,805	435,805
Shareholders' Investment		
Capital stock		
Voting preferred stock - Series B	2,053	2,053
Common stock	45,718	45,520
Additional paid-in capital	714,506	706,191
Retained earnings	816,035	934,605
Cumulative currency translation adjustment	(25,498)	(24,651)
Total Shareholders' Investment	1,552,814	1,663,718
Total Liabilities and Shareholders' Investment	\$3,950,630	\$3,834,423

</TABLE>

See accompanying notes to consolidated financial statements.

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LITTON INDUSTRIES, INC. AND SUBSIDIARY COMPANIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(thousands of dollars)

<TABLE>

<CAPTION>

Six Months Ended  
January 31,  
-----

	1994	1993
<S>	<C>	<C>
Cash and cash equivalents at beginning of period	\$ 237,440	\$ 169,972
Cash Was Provided by (Used for)		
Operating Activities		
Continuing Operations		
Net earnings (loss)	49,331	(64,093)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities		
Depreciation and amortization	49,277	54,158
Deferred income tax credits	(19,665)	(73,265)
Cumulative effect of a change in accounting principle	-	106,727
Decrease in accounts receivable	117,524	64,953
Decrease in inventory	7,297	48,382
(Increase) decrease in prepaid taxes on income and other expenses	(5,937)	11,942
Decrease in accounts payable	(64,565)	(43,735)
Increase (decrease) in payrolls and related expenses	32,092	(21,252)
Decrease in taxes on income	(39,084)	(49,738)
Increase (decrease) in customer deposits and contract liabilities	69,023	(16,763)
Other operating activities	(18,662)	(1,310)
Total from continuing operations	176,631	16,006
Net operating activities of discontinued operations	(933)	144,955
Cash provided by operating activities	175,698	160,961

</TABLE>

See accompanying notes to consolidated financial statements.

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LITTON INDUSTRIES, INC. AND SUBSIDIARY COMPANIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(thousands of dollars)  
(continued)

<TABLE>

<CAPTION>

	Six Months Ended January 31,	
	1994	1993
<S>	<C>	<C>
Investing Activities		
Continuing Operations		
Purchase of capital assets	(31,540)	(37,937)
Proceeds from sale of property, plant and equipment	10,113	3,899
(Increase) decrease in other current marketable securities	(7,492)	12,393
Other investing activities	22,555	6,610
Total from continuing operations	(6,364)	(15,035)
Net investing activities of discontinued operations	(571,988)	(55,374)
Cash used for investing activities	(578,352)	(70,409)
Financing Activities		
Continuing Operations		
Receivable from Western Atlas Inc.	(467,710)	-
Short-term obligations, net	241,406	(102,749)
Other financing activities	(1,913)	(5,200)
Total from continuing operations	(228,217)	(107,949)
Net financing activities of discontinued operations	527,072	(72,521)

Cash provided by (used for) financing activities	298,855	(180,470)
Resulting in decrease in cash and cash equivalents	(103,799)	(89,918)
Cash and cash equivalents at end of period	\$ 133,641	\$ 80,054
Supplemental disclosure of cash flow information		
Interest paid	\$ 31,551	\$ 32,824
Income taxes paid	\$ 104,204	\$ 150,584

</TABLE>

See accompanying notes to consolidated financial statements.

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LITTON INDUSTRIES, INC. AND SUBSIDIARY COMPANIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SIX MONTHS ENDED JANUARY 31, 1994

1. The amounts included in this report are unaudited; however, in the opinion of management, all adjustments necessary for a fair statement of results for the stated periods have been included. These adjustments are of a normal recurring nature. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. Certain reclassifications of prior period information were made for comparative purposes (also see Note 5). It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report to Shareholders for the fiscal year ended July 31, 1993. The results of operations for the six months ended January 31, 1994 are not necessarily indicative of operating results for the entire year.

2. The components of inventory balances are summarized below:

<TABLE>  
<CAPTION>

<S> (thousands of dollars)	<C> January 31, 1994	<C> July 31, 1993
Raw materials and work in process	\$ 971,051	\$ 972,896
Finished goods	52,100	53,392
	1,023,151	1,026,288
Less progress billings	(533,457)	(517,210)
Net inventories	\$ 489,694	\$ 509,078

3. Net interest expense is composed of the following:

(thousands of dollars)	Six Months Ended January 31,		Three Months Ended January 31,	
	1994	1993	1994	1993
Interest expense	\$ 28,998	\$39,334	\$14,321	\$19,633
Interest income	(10,861)	(7,499)	(5,828)	(4,011)
Interest - net	\$ 18,137	\$31,835	\$ 8,493	\$15,622

</TABLE>

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LITTON INDUSTRIES, INC. AND SUBSIDIARY COMPANIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SIX MONTHS ENDED JANUARY 31, 1994  
(continued)



4. In the fourth quarter of fiscal year 1993, the Company adopted, effective as of the beginning of the fiscal year, the provisions of Statement of Financial Accounting Standards No. 106, Employers' Accounting for Postretirement Benefits Other Than Pensions. The Company elected immediate recognition of the transition liability for such benefits and the resultant cumulative effect of a change in accounting principle amounted to \$106.7 million, net of tax. Financial information for the six months of fiscal year 1993 has been restated for the cumulative effect of a change in accounting principle.
5. The consolidated financial statements of Litton Industries, Inc. and related notes thereto have been restated to present the businesses to be distributed, the operations of Western Atlas Inc. ("WAI"), as discontinued operations (also see Note 6). Six million dollars of the Company's corporate interest cost have been attributed to WAI and, therefore, reclassified to discontinued operations in the Company's Consolidated Statements of Operations for each of the six months ended January 31, 1994 and 1993.

Results of WAI for the second quarter of fiscal year 1994 included special charges of \$222.2 million, pre-tax, or \$163 million, net of tax. Approximately \$126 million of these charges represents the write-off of intangible assets of the Core Laboratories Division ("Core") of Western Atlas International, Inc. ("WAI"). These charges were recorded to reflect the net realizable value of Core in connection with WAI's decision to sell Core and to provide for obsolescence of lower technology vessels, equipment and tools and the consolidation of facilities. Results for the second quarter of fiscal year 1994 also included transitional costs of implementing new technologies in the oilfield services operations and, to a lesser extent, introductory costs of new products and services in the industrial automation systems operations.

Also in the second quarter of fiscal year 1994, WAI purchased from Dresser Industries, Inc. ("Dresser") its 29.5% minority interest in WAI for \$358 million in cash and four subordinated notes of \$50 million each which mature, respectively, in each of the four years commencing in 1998. The notes bear interest at 7 1/2%, payable semiannually. The purchase price included goodwill of \$278 million, which will be amortized over a period of forty years. Additionally, WAI purchased the business and substantially all of the assets of Halliburton Company's geophysical services business for an estimated purchase price of \$190 million, of which \$100 million was paid in cash and the remainder in notes bearing interest at 5.65%, payable semiannually, maturing over periods of three and one-half to four years following the closing date of the transaction. The cash used to effect these transactions was advanced by Litton using existing cash and certain short-term borrowings of approximately \$250 million. Such funds will be reimbursed to the Company upon distribution of Western Atlas Inc. Common stock to Litton shareholders, along with an additional \$100 million for certain other intercompany indebtedness. The Company will use a portion of these funds to repay any outstanding portion of the short-term borrowings of approximately \$250 million. Total receivable from WAI at January 31, 1994 amounted to \$567.7 million.

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LITTON INDUSTRIES, INC. AND SUBSIDIARY COMPANIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SIX MONTHS ENDED JANUARY 31, 1994  
(continued)

6. On March 4, 1994, subsequent to the date of this report, the Company's Board of Directors declared a dividend in the form of a distribution of 100 percent of the Common stock of Western Atlas Inc. to holders of Litton Common stock, payable on March 17, 1994 (the Distribution date). Shareholders of record as of March 14, 1994 will receive one share of Western Atlas Inc. Common stock for each share of Litton Common stock held. This transaction will be reported by Litton as a tax-free dividend for tax reporting purposes.

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PART I. FINANCIAL INFORMATION  
(continued)

On March 4, 1994, subsequent to the date of this report, the Company's Board of Directors declared a dividend in the form of a distribution of 100 percent of Western Atlas Inc. Common stock to holders of Litton Common stock, payable on March 17, 1994 (see Note 6 of Item 1 of this Form 10-Q). The Western Atlas Common stock is to be distributed on the basis of one share of Western Atlas Common stock for each share of Litton Common stock held on the Record Date of March 14, 1994. In the Company's consolidated financial statements, the operations of WAI have been reported as discontinued operations. Accordingly, the accounts of WAI have been reclassified to one line in the Consolidated Statements of Operations and included in earnings (loss) of the Company as earnings (loss) from discontinued operations.

Results of Continuing Operations:

Continuing operations are composed of the defense/electronics and marine operations and the interconnect product businesses. The Company reported earnings of \$23.4 million and \$49.3 million for the second quarter and six months ended January 31, 1994, respectively. The comparable amounts for fiscal year 1993 were \$18.4 million and \$42.6 million, respectively, exclusive of the cumulative effect of a change in accounting principle. The improvement in the current year periods was primarily attributable to the significant reduction in interest expense pursuant to the conversion of substantially all of the Company's zero coupon convertible subordinated notes into Litton Common stock, following the call of the notes for redemption in the previous year's fourth quarter. Sales and operating profit for the second quarter of the current fiscal year were \$803.9 million and \$64 million, respectively, compared with \$753.9 million and \$62.4 million, respectively, for the second quarter of fiscal year 1993. For the six month period, sales and operating profit were comparable with those of the previous fiscal year.

The Marine Engineering and Production segment reported sales and operating profit of \$315 million and \$29.4 million, respectively, for the second quarter of the current year, compared with \$273.7 million and \$26.3 million, respectively, for second quarter of fiscal year 1993. For the six months ended January 31, 1994, sales and operating profit were \$706.4 million and \$66.1 million, respectively, compared with \$645.6 million and \$61 million, respectively, for the same period of fiscal year 1993. These increases were due mainly to a higher level of activity on certain long-term contracts. Backlog for this segment amounted to \$4.1 billion at January 31, 1994. The Advanced Electronics segment reported sales and operating profit of \$439.7 million and \$31.4 million for the second quarter of fiscal year 1994, compared with \$421.4 million and \$30.8 million, respectively, for the previous year's second quarter. Sales and operating profit for the six months of the current fiscal year were \$835.8 million and \$60.2 million, compared with \$860.9 million and \$63.6 million, respectively, for the six months of fiscal year 1993. Although pressures on defense spending are continuing, this segment experienced a slight improvement in sales and operating profit in the second quarter

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PART I. FINANCIAL INFORMATION  
(continued)

compared with prior year's second quarter. Backlog for this segment at January 31, 1994 of \$1.8 billion was substantially comparable with that at fiscal year end 1993 of \$1.9 billion.

Net interest was significantly lower in the current year periods due primarily to a decrease in interest expense. As discussed above, the June 28, 1993 call for redemption of the zero coupon convertible subordinated notes led to a significant reduction in interest expense in the current year. Additionally, interest income for the second quarter and six months of the current year was higher due mainly to higher average invested cash balances.

In addition to cash and marketable securities of \$257 million at January 31, 1994, the Company will be reimbursed, on the Distribution date, by WAI for funds used in payment of the cash portion of \$358 million of the purchase price for the acquisition of Dresser's minority interest in WAI and in payment of the cash portion of \$100 million of the purchase price for the acquisition of the geophysical services business of Halliburton Company (see Note 5 of Item 1 of this Form 10-Q). The Company will also receive \$100 million from WAI for certain other intercompany indebtedness. Total receivable from WAI amounted to \$567.7 million at January 31, 1994. The short-term borrowings of approximately

\$250 million obtained by the Company in connection with the above described transactions will be fully repaid by the Distribution date. These borrowings were obtained under credit commitments which provided for borrowings of up to \$700 million and which will terminate on the Distribution date. On February 26, 1994, subsequent to the date of this report, these borrowings were partially repaid and the remainder replaced by a promissory note to a bank totalling approximately \$175 million, which the Company will repay on the Distribution date. Effective on the Distribution date, the Company will have replacement credit commitments which will provide for borrowings of up to \$400 million for general use.

Discontinued Operations:

In the second quarter ended January 31, 1994, WAI recorded special charges of \$222.2 million, pre-tax, or \$163 million after tax. Approximately \$126 million of these charges represents the write-off of intangible assets of Core. These charges were recorded to reflect the net realizable value of Core in connection with WAI's decision to sell Core and to provide for obsolescence of lower technology vessels, equipment and tools and the consolidation of facilities. Results for the second quarter also included transitional costs of implementing new technologies in the oilfield services operations and, to a lesser extent, introductory costs of new products and services in the industrial automation systems operations.

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PART I. FINANCIAL INFORMATION  
(continued)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

-----  
Also in the second quarter of fiscal year 1994, WAI purchased from Dresser its 29.5% minority interest in WAI for \$358 million in cash and four subordinated notes of \$50 million each. WAI also purchased the business and substantially all of the assets of Halliburton Company's geophysical services business for an estimated purchase price of \$190 million, of which \$100 million was paid in cash and the remainder in notes. As previously discussed, the cash used to effect these transactions was advanced by Litton and will be reimbursed to Litton on the Distribution date along with an additional \$100 million for certain other intercompany indebtedness.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

-----  
As previously reported in the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 1993, Litton Systems, Inc. ("LSI"), a subsidiary of the Company, is a defendant in a civil suit pending in the United States District Court for the Central District of California brought under the so-called qui tam provisions of the False Claims Act, which permit an individual to bring suit in the name of the Government and share in any recovery received. This action was filed by James Carton, a former employee of such subsidiary, and a nonprofit corporation calling itself "Taxpayers Against Fraud." In March, 1989, the Government intervened in the action, assuming principal responsibility for its prosecution. The Government has alleged violations of the False Claims Act, payment by mistake, unjust enrichment and fraud.

On July 23, 1992, the District Court granted plaintiff's motions for partial summary judgement. In doing so, the Court ruled that Litton Computer Services ("LCS"), a division of LSI, had violated its Government contracts with respect to its cost accounting system, and its disclosure requirements to the Government pertaining to that system at its Woodland Hills, California, data processing center ("LCS-WH"). The Court also ruled that any claims by LSI directly or indirectly to the Government from August 1, 1981 to July 15, 1988 containing any amounts for LCS-WH costs, for which claims have, in fact, been increased because of the use of the then existing cost accounting system, are "false" under the False Claims Act. In August, 1992, LSI moved the Court to reconsider its July 23, 1992, rulings. On February 11, 1994, the Court denied the motions for reconsideration. LSI has requested the Court to certify these rulings for appeal and is awaiting the Court's action. A trial date has been

PART II. OTHER INFORMATION  
(continued)

Item 4. Submission of Matters to a Vote of Security Holders  
-----

The Registrant's 1993 Annual Meeting of Shareholders was held December 8, 1993 in Los Angeles, California.

Proxies for the meeting were solicited on behalf of the Board of Directors of the Company. There was no solicitation in opposition to the Board of Directors' nominees for election of directors as listed in the Company's definitive Proxy Statement dated October 29, 1993. All of the nominees were elected as follows:

<TABLE>  
<CAPTION>

Nominee	For	Withheld
<S>	<C>	<C>
Paul Bancroft, III	38,492,678	262,592
Wallace W. Booth	38,491,020	264,250
Alton J. Brann	38,494,797	260,473
Joseph T. Casey	38,490,004	265,266
William C. Edwards	38,481,825	273,445
Carol B. Hallett	38,468,268	287,002
Thomas B. Hayward	38,494,038	261,232
Orion L. Hoch	38,493,027	262,243
Robert H. Lentz	38,491,420	263,850
Steven B. Sample	38,492,631	262,639
C. B. Thornton, Jr.	38,493,085	262,185

</TABLE>

On the Distribution date, Paul Bancroft, III, William C. Edwards and Steven B. Sample will resign as members of Litton's Board of Directors and will become members of Western Atlas Inc.'s Board of Directors. Joining Litton's Board on the Distribution date will be John M. Leonis, who will also serve as president and chief executive officer, and Rudolph E. Lang, Jr., who will also serve as senior vice president and chief financial officer.

In addition to electing directors, the shareholders voted to: ratify the appointment of Deloitte & Touche as independent auditors by the following votes: 38,564,043 shares "for", 54,618 shares "against", and 136,609 shares "abstain"; approve the adoption of an amendment to the Litton Industries, Inc. 1984 Long-Term Stock Incentive Plan by the following votes: 33,377,101 shares "for", 5,111,357 shares "against", and 266,812 shares "abstain"; and approve the terms of certain proposed adjustments to outstanding stock options held by employees and directors of the Company in connection with the distribution of the stock of Western Atlas Inc. to the shareholders of Litton by the following votes: 36,656,298 shares "for", 1,827,676 shares "against", and 271,296 shares "abstain".

PART II. OTHER INFORMATION  
(continued)

Item 6. Exhibits and Reports on Form 8-K  
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(a) Exhibit 11: Statement of Computation of Earnings per Share included herein as Exhibit 11 on page 19.

(b) Reports on Form 8-K

(1) In a report filed on Form 8-K dated January 13, 1994, the Company reported that Western Atlas International, Inc., a majority-owned subsidiary of Western Atlas Inc., purchased the business and

substantially all of the assets of the geophysical services business of Halliburton Company and certain of its subsidiaries. (See Note 5 of Item 1 of this Form 10-Q for further information.)

- (2) In a report filed on Form 8-K dated January 14, 1994, the Company reported that Litton Systems, Inc., a wholly-owned subsidiary of the Company, settled all charges and claims of the Government in connection with the "Operation Ill Wind" investigation of defense contractor marketing practices by pleading guilty, under the legal doctrine of respondeat superior, to certain offenses and by paying the Government an aggregate of \$3.9 million in fines, restitution and settlement amounts.

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EXHIBIT 11

LITTON INDUSTRIES, INC. AND SUBSIDIARY COMPANIES  
PRIMARY EARNINGS (LOSS) PER SHARE AND FULLY DILUTED EARNINGS (LOSS) PER SHARE  
(thousands of dollars, except per share data)

	Six Months Ended January 31,		Three Months Ended January 31,	
	1994	1993	1994	1993
<S>	<C>	<C>	<C>	<C>
PRIMARY EARNINGS (LOSS) PER SHARE				
Earnings available for common shares and common stock equivalent shares deemed to have a dilutive effect:				
Earnings from continuing operations	\$ 49,331	\$ 42,634	\$ 23,404	\$18,415
Provision for cash dividends on preferred stock (Series B)	(410)	(410)	(205)	(205)
Net earnings from continuing operations	48,921	42,224	23,199	18,210
Discontinued operations:				
Results of Western Atlas Inc. to be Distributed to Litton Shareholders	(165,614)	44,560	(174,704)	26,019
Cumulative effect of a change in accounting principle:				
Continuing operations	-	(106,727)	-	-
Discontinued operations:				
Results of Western Atlas Inc. to be Distributed to Litton Shareholders	-	(10,390)	-	-
Net earnings (loss) available for common shares and common stock equivalent shares deemed to have a dilutive effect	\$ (116,693)	\$ (30,333)	\$ (151,505)	\$44,229

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EXHIBIT 11

LITTON INDUSTRIES, INC. AND SUBSIDIARY COMPANIES  
PRIMARY EARNINGS (LOSS) PER SHARE AND FULLY DILUTED EARNINGS (LOSS) PER SHARE  
(thousands of dollars, except per share data)  
(continued)

	Six Months Ended January 31,		Three Months Ended January 31,	
	1994	1993	1994	1993
Primary earnings (loss) per share before cumulative effect of a change in accounting principle:				
Continuing operations	\$ 1.07	\$ 1.04	\$ 0.51	\$0.44
Discontinued operations:				
Results of Western Atlas Inc. to be				

Distributed to Litton Shareholders	(3.63)	1.10	(3.83)	0.63
Cumulative effect of a change in accounting principle:				
Continuing operations	-	(2.64)	-	-
Discontinued operations:				
Results of Western Atlas Inc. to be Distributed to Litton Shareholders	-	(0.25)	-	-
Total Primary	\$ (2.56)	\$ (0.75)	\$ (3.32)	\$ 1.07

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EXHIBIT 11

LITTON INDUSTRIES, INC. AND SUBSIDIARY COMPANIES  
PRIMARY EARNINGS (LOSS) PER SHARE AND FULLY DILUTED EARNINGS (LOSS) PER SHARE  
(thousands of dollars, except per share data)  
(continued)

	Six Months Ended January 31,		Three Months Ended January 31,	
	1994	1993	1994	1993
<S>	<C>	<C>	<C>	<C>
FULLY DILUTED EARNINGS (LOSS) PER SHARE				
Net earnings (loss) available for common shares and common stock equivalent shares deemed to have a dilutive effect	\$ (116,693)	\$ (30,333)	\$ (151,505)	\$ 44,229
Add: Interest on zero coupon convertible subordinated notes, net of applicable income taxes	-	-	-	3,387
Total	\$ (116,693)	\$ (30,333)	\$ (151,505)	\$ 47,616
Fully diluted earnings (loss) per share:				
Continuing operations	\$ 1.07	\$ 1.04	\$ 0.51	\$ 0.45
Discontinued operations:				
Results of Western Atlas Inc. to be Distributed to Litton Shareholders	(3.63)	1.10	(3.83)	0.55
Cumulative effect of a change in accounting principle:				
Continuing operations	-	(2.64)	-	-
Discontinued operations:				
Results of Western Atlas Inc. to be Distributed to Litton Shareholders	-	(0.25)	-	-
Total Fully Diluted	\$ (2.56)	\$ (0.75)	\$ (3.32)	\$ 1.00

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EXHIBIT 11

LITTON INDUSTRIES, INC. AND SUBSIDIARY COMPANIES  
PRIMARY EARNINGS (LOSS) PER SHARE AND FULLY DILUTED EARNINGS (LOSS) PER SHARE  
(thousands of dollars, except per share data)  
(continued)

	Six Months Ended January 31,		Three Months Ended January 31,	
	1994	1993	1994	1993

<S>	<C>	<C>	<C>	<C>
Shares used in primary earnings (loss) per share computation				
Weighted average common shares outstanding (net of treasury shares)	45,611,760	40,490,750	45,665,300	40,520,906
Common stock equivalents	-	-	-	937,059
-----				
Total common shares and common stock equivalent shares deemed to have a dilutive effect	45,611,760	40,490,750	45,665,300	41,457,965
=====				
Shares used in fully diluted earnings (loss) per share computation				
-----				
Total common shares and common stock equivalent shares deemed to have a dilutive effect	45,611,760	40,490,750	45,665,300	41,457,965
Additional potentially dilutive securities (equivalent in common stock):				
Zero coupon convertible subordinated notes	-	-	-	6,126,000
Stock options	-	-	-	66,493
-----				
Total	45,611,760	40,490,750	45,665,300	47,650,458
=====				

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SIGNATURE

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

LITTON INDUSTRIES, INC.  
(Registrant)

By /s/ Rudolph E. Lang, Jr.  
-----  
Rudolph E. Lang, Jr.  
Senior Vice President and  
Controller (Chief Accounting  
Officer)

March 16, 1994