FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1996-01-11** | Period of Report: **1995-12-02**
SEC Accession No. 0000108703-96-000001

FILER

WYMAN GORDON CO
CIK:**108703**| IRS No.: **041992780** | State of Incorp.:**MA** | Fiscal Year End: **0528**
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SIC: **3460** Metal forgings & stampings

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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

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

For the quarterly period ended December 2, 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 0-3085

WYMAN-GORDON COMPANY
(Exact name of registrant as specified in its charter)

MASSACHUSETTS	04-1992780
(State or other jurisdiction incorporation or organization)	(I.R.S. Employer Identification No.)

244 WORCESTER STREET, BOX 8001, NO. GRAFTON, MASSACHUSETTS 01536-8001
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code 508-839-4441

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 X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at December 2, 1995
Common Stock, $1 Par Value	35,204,629

PART I.

ITEM 1. FINANCIAL STATEMENTS

WYMAN-GORDON COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	DEC. 2, 1995	DEC. 3, 1994	DEC. 2, 1995	DEC. 3, 1994
	(000's omitted, except per share data)			
Revenue	$118,080	$94,974	$232,157	$190,700
Less:				
Cost of goods sold	99,113	85,105	195,012	171,255
Selling, general and administrative expenses	9,473	9,101	18,669	18,674
Other charges	-	-	900	-
	$108,586	$94,206	$214,581	$189,929
Income from operations	9,494	768	17,576	771
Other deductions:				
Interest expense	2,768	2,546	5,540	5,215
Miscellaneous, net	676	243	885	899
	3,444	2,789	6,425	6,114
Net income (loss)	$ 6,050	$(2,021)	$ 11,151	$ (5,343)
Net income (loss) per share	$ .17	$ (.06)	$ .31	$ (.15)
Shares used to compute				

earnings (loss) per share	36,092	35,041	36,010	35,046

</TABLE>

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

<TABLE>

WYMAN-GORDON COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS

<CAPTION>

	DECEMBER 2, 1995	JUNE 3, 1995
	(000's omitted)	
<S>	<C>	<C>
ASSETS		
Cash and cash equivalents	$ 17,799	$ 13,856
Accounts receivable	79,329	79,219
Inventories	85,490	78,813
Prepaid expenses	11,128	15,671
Total current assets	193,746	187,559
Property, plant and equipment, at cost	389,095	385,372
Less accumulated depreciation	251,941	243,975
Net property, plant and equipment	137,154	141,397
Intangible assets	24,943	25,295
Other assets	16,193	14,813
	$372,036	$369,064
LIABILITIES		
Borrowings due within one year	$ 1,732	$ 3,915
Accounts payable	33,807	34,729
Accrued liabilities and other	41,224	45,634

Accrued restructuring, integration, disposal and environmental	7,989	10,219
Total current liabilities	84,752	94,497
Restructuring, integration, disposal and environmental	18,128	19,648
Long-term debt	90,308	90,308
Pension liability	9,560	9,589
Deferred income tax and other	24,779	21,699
Postretirement benefits	52,470	52,468
STOCKHOLDERS' EQUITY		
Preferred stock - none issued	-	-
Common stock issued - 37,052,720 shares	37,053	37,053
Capital in excess of par value	37,784	40,118
Retained earnings	49,726	39,763
	124,563	116,934
Less treasury stock at cost December 2, 1995 - 1,848,091 shares June 3, 1995 - 2,044,178 shares	(32,524)	(36,079)
	92,039	80,855
	$372,036	$369,064

</TABLE>

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

<TABLE>

WYMAN-GORDON COMPANY AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS

<CAPTION>

	SIX MONTHS ENDED	
	DECEMBER 2, 1995	DECEMBER 3, 1994
	(000's omitted)	
<S>	<C>	<C>
Operating activities:		
Net income (loss)	$11,151	$ (5,343)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	8,372	9,151
Provision for equity investment	900	-

Changes in assets and liabilities:		
Accounts receivable	(109)	(4,776)
Inventories	(6,678)	6,980
Prepaid expenses and other assets	2,263	3,275
Accrued restructuring, disposal and environmental	(3,750)	(5,437)
Income and other taxes	2,933	875
Accounts payable and accrued liabilities	(5,182)	(8,710)
Net cash provided (used) by operating activities	9,900	(3,985)
Investing activities:		
Capital expenditures	(6,782)	(8,922)
Proceeds from sale of fixed assets	1,664	603
Other, net	123	(491)
Net cash used by investing activities	(4,995)	(8,810)
Financing activities:		
Cash paid to Cooper Industries for factored accounts receivable	-	(20,561)
Payment of borrowings due within one year	(2,183)	-
Net proceeds from issuance of common stock	1,221	449
Net cash used by financing activities	(962)	(20,112)
Increase (Decrease) in cash	3,943	(32,907)
Cash, beginning of year	13,856	42,179
Cash, end of period	$17,799	$ 9,272

</TABLE>

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

WYMAN-GORDON COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
December 2, 1995

NOTE A - BASIS OF PRESENTATION

In the opinion of the Company, the accompanying unaudited consolidated condensed financial statements contain all adjustments necessary to present fairly its financial position at December 2, 1995 and its results of operations for the three months and six months ended December 2, 1995 and December 3, 1994 and cash flows for the six months ended December 2, 1995 and December 3, 1994. All such adjustments are of a normal recurring nature.

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with Article 10 of Securities and Exchange Commission Regulation S-X and, therefore, do not include all information and footnotes necessary for a fair presentation of the financial position, results of operations and cash flows in conformity with generally accepted accounting principles. In conjunction with its June 3, 1995 Annual Report on Form 10-K/A, the Company filed audited consolidated financial statements which included all information and footnotes necessary for a fair presentation of its financial position at June 3, 1995 and May 28, 1994 and its results of operations and cash flows for the year ended June 3, 1995, the five months ended May 28, 1994 and the years ended December 31, 1993 and 1992 in conformity with generally accepted accounting principles. Where appropriate, prior period amounts have been reclassified to permit comparison.

NOTE B - INVENTORIES

Inventories consisted of:

<TABLE>
<CAPTION>

	DECEMBER 2, 1995	JUNE 3, 1995
	(000's omitted)	
<S>	<C>	<C>
Raw material	$30,419	$26,440
Work-in-process	56,859	54,310
Supplies	3,653	3,228
	90,931	83,978
Less progress payments	5,441	5,165
	$85,490	$78,813

</TABLE>

If all inventories valued at LIFO cost had been valued at first-in, first-out (FIFO) cost or market which approximates current replacement cost, inventories would have been $21,584,000 higher than reported at December 2, 1995 and June 3, 1995.

LIFO inventory credits to cost of goods sold in the three months ended December 3, 1994 were $951,000. LIFO inventory credits to cost of goods sold in the six months ended December 3, 1994 were $2,013,000.

WYMAN-GORDON COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Continued)
December 2, 1995

NOTE C - COMMITMENTS AND CONTINGENCIES

At December 2, 1995, certain lawsuits arising in the normal course of business were pending. The Company denies all material allegations of these complaints. In the opinion of management, the outcome of legal matters will not have a material adverse effect on the Company's financial position, results of operations or liquidity.

As of December 2, 1995, the Company had invested $4.5 million in cash towards its share of the capital requirements of its Australian Joint Venture for the production of nickel-based superalloy. The Company is committed to an additional investment of $3.0 million to the joint venture. The joint venture has entered into a credit agreement with an Australian bank. The Company has guaranteed 25.0% of the joint venture's obligations under the credit agreement totalling $17.3 million. This guarantee expires at such time as the joint venture demonstrates its ability to produce commercially acceptable products.

The Company is subject to extensive, stringent and changing federal, state and local environmental laws and regulations, including those regulating the use, handling, storage, discharge and disposal of hazardous substances and the remediation of alleged environmental contamination. Accordingly, the Company is involved from time to time in administrative and judicial inquiries and proceedings regarding environmental matters. Nevertheless, the Company believes that compliance with these laws and regulations will not have a material adverse effect on the Company's operations as a whole.

The Company had foreign exchange contracts totalling $8.6 million at December 2, 1995. These contracts hedge certain normal operating purchase and sales transactions. The exchange contracts generally mature within six months and require the Company to exchange U.K. pounds for non-U.K. currencies or non-U.K. currencies for U.K. pounds. Transaction gains and losses included in the Consolidated Condensed Statements of Operations for the three month and six month periods ended December 2, 1995 and December 3, 1994, respectively, were not material.

ITEM 2.

<TABLE>

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

The principal markets served by the Company are aerospace and power generation. Revenue by market for the respective periods was as follows (millions):

<CAPTION>

	THREE MONTHS ENDED DECEMBER 2, 1995		THREE MONTHS ENDED DECEMBER 3, 1994	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
<S>	<C>	<C>	<C>	<C>
Aerospace	$ 89.8	76%	$ 72.2	76%
Power generation	21.9	19%	14.2	15%
Other	6.4	5%	8.6	9%
	$118.1	100%	$ 95.0	100%

</TABLE>
<TABLE>
<CAPTION>

	SIX MONTHS ENDED DECEMBER 2, 1995		SIX MONTHS ENDED DECEMBER 3, 1994	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL
<S>	<C>	<C>	<C>	<C>
Aerospace	$172.0	74%	$144.9	76%
Power generation	44.7	19%	28.6	15%
Other	15.4	7%	17.2	9%
	$232.2	100%	$190.7	100%

</TABLE>

RESULTS OF OPERATIONS AND FINANCIAL CONDITION THREE MONTHS ENDED DECEMBER 2, 1995 ("second quarter of fiscal year 1996") COMPARED TO THREE MONTHS ENDED DECEMBER 3, 1994 ("second quarter of fiscal year 1995")

The Company's revenue increased 24.3% to $118.1 million in the second quarter of fiscal year 1996 from $95.0 million in the second quarter of fiscal year 1995 due to higher sales volume at the Company's Forgings and Castings Divisions. These sales volume increases during the second quarter of fiscal year 1996 as compared to the second quarter of fiscal year 1995 are reflected by market as follows: a $17.6 million (24.4%) increase in aerospace, a $7.7 million (53.8%) increase in power generation and a $2.1 million (25.2%) decrease in other. Revenues in the second quarter of fiscal year 1995 were limited by raw material shortages and production delays caused by capacity constraints of the Company's suppliers. The revenue increases mentioned above have occurred while the Company's backlog has grown to $487.8 million at December 2, 1995 from $418.4 million at December 3, 1994.

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

RESULTS OF OPERATIONS AND FINANCIAL CONDITION THREE MONTHS ENDED DECEMBER 2, 1995 ("second quarter of fiscal year 1996") COMPARED TO THREE MONTHS ENDED DECEMBER 3, 1994 ("second quarter of fiscal year 1995")(Continued)

The Company's gross margins were 16.1% in the second quarter of fiscal year 1996 as compared to 10.4% in the second quarter of fiscal year 1995. This improvement resulted from higher production volumes and productivity gains resulting from the Company's efforts toward focusing forging production of rotating parts for jet engines in its Houston, Texas facility and forging production of airframe structures and large turbine parts in its Grafton, Massachusetts facility. Additionally, continuing realization of cost reductions from synergies associated with the integration of Cameron Forged Products Company ("Cameron") contributed to this higher ratio. Gross margins benefitted from LIFO credits of $0.9 million during the second quarter of fiscal year 1995. There were no LIFO credits recorded during the second quarter of fiscal year 1996.

Selling, general and administrative expenses increased 4.1% to $9.5 million during the second quarter of fiscal year 1996 from $9.1 million during the second quarter of fiscal year 1995. However, selling, general and administrative expenses as a percentage of revenues improved to 8.0% in the second quarter of fiscal year 1996 from 9.6% in the second quarter of fiscal year 1995. The improvement as a percent of revenues is the result of cost reductions associated with the integration of Cameron with the Company's Forgings operations and higher revenues.

Interest expense was $2.8 million in the second quarter of fiscal year 1996 as compared to $2.5 million in the second quarter of fiscal year 1995. The increase in interest expense during the second quarter of fiscal 1996 as compared to the same period of fiscal 1995 is due to interest on borrowings on the Company's U.K. Credit Agreement.

The Company recorded no provision for income taxes in the second quarters of fiscal years 1996 and 1995.

Net income was $6.1 million, or $.17 per share, in the second quarter of fiscal year 1996 and net loss was $(2.0) million, or $(.06) per share in the second quarter of fiscal year 1995. The $8.1 million improvement results from the items described above.

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

RESULTS OF OPERATIONS AND FINANCIAL CONDITION SIX MONTHS ENDED DECEMBER 2, 1995 ("first six months of fiscal year 1996") COMPARED TO SIX MONTHS ENDED DECEMBER 3, 1994 ("first six months of fiscal year 1995")

The Company's revenue increased 21.7% to $232.2 million in the first six months of fiscal year 1996 from $190.7 million in the first six months of fiscal year 1995 due to higher sales volume at the Company's Forgings and Castings Divisions. These sales volume increases during the first six months of fiscal year 1996 as compared to the first six months of fiscal year 1995 are reflected by market as follows: a $27.0 million (18.7%) increase in aerospace, a $16.1 million (56.4%) increase in power generation and a $1.7 million (10.0%) decrease in other.

Revenues in the first six months of fiscal years 1996 and 1995 were limited by raw material shortages and production delays caused by capacity constraints of the Company's suppliers. While the severity of the raw material shortages was not as extensive during the first six months of fiscal year 1996 as compared to the first six months of fiscal year 1995, the Company is continuing to focus upon its ability to receive raw material such that there is no disruption to its production schedule. The revenue increases mentioned above have occurred while the Company's backlog has grown to $487.8 million at December 2, 1995 from $418.4 million at December 3, 1994.

The Company's gross margins were 16.0% in the first six months of fiscal year 1996 as compared to 10.2% in the first six months of fiscal year 1995. This improvement resulted from higher production volumes and productivity gains resulting from the Company's efforts toward focusing forging production of rotating parts for jet engines in its Houston, Texas facility and forging production of airframe structures and large turbine parts in its Grafton, Massachusetts facility. Additionally, continuing realization of cost reductions from synergies associated with the integration of Cameron contributed to this higher ratio. Gross margins benefitted from LIFO credits of $2.0 million during the first six months of fiscal year 1995. There were no LIFO credits recorded during the first six months of fiscal year 1996.

Selling, general and administrative expenses remained constant at $19.7 million for the first six months of both fiscal 1996 and fiscal 1995. However, selling, general and administrative expenses as a percentage of revenues improved to 8.0% in the first six months of fiscal year 1996 from 9.8% in the first six months of fiscal year 1995. The improvement as a percent of revenues is the result of cost reductions associated with the integration of Cameron with the Company's Forgings operations and higher revenues.

RESULTS OF OPERATIONS AND FINANCIAL CONDITION SIX MONTHS ENDED DECEMBER 2, 1995 ("first six months of fiscal year 1996") COMPARED TO SIX MONTHS ENDED DECEMBER 3, 1994 ("first six months of fiscal year 1995")(Continued)

During the first six months of fiscal year 1996, the Company provided $0.8 million in order to recognize its 25.0% share of the net losses of its Australian Joint Venture and to reserve for amounts loaned to the Australian Joint Venture during the first quarter of fiscal year 1996. Additionally, the Company provided $0.1 million relating to expenditures for an investment in an additional joint venture.

Interest expense was $5.0 million in the first six months of fiscal year 1996 as compared to $4.7 million during the first six months of fiscal year 1995. The increase in interest expense during the first six months of fiscal 1996 as compared to the first six months of fiscal 1995 is due to interest on borrowings on the Company's U.K. Credit Agreement.

The Company recorded no provision for income taxes in the first six months of fiscal years 1996 and 1995.

Net income was $11.2 million, or $.31 per share, in the first six months of fiscal year 1996 and net loss was $(5.3) million, or $(.15) per share in the first six months of fiscal year 1995. The $16.5 million improvement results from the items described above.

LIQUIDITY AND CAPITAL RESOURCES

The increase in the Company's cash of $3.9 million to $17.8 million at December 2, 1995 from $13.9 million at June 3, 1995 resulted from cash provided by operating activities of $9.9 million offset by cash used by investing activities of $5.0 million and cash used by financing activities of $1.0 million.

As of June 3, 1995, the Company estimated the remaining cash requirements for the integration of Cameron and direct costs associated with the acquisition of Cameron to be $8.6 million. Of such amount, the Company expects to spend approximately $6.5 million during its fiscal year ending June 1, 1996 ("fiscal year 1996") and $2.1 million thereafter. In the first six months of fiscal year 1996, spending related to the integration of Cameron and associated direct costs amounted to $2.6 million.

The 1991 restructuring plan is substantially complete. The Company expects to expend an additional $3.8 million over the next several years related to the 1991 restructuring plan, approximately $1.9 million in fiscal year 1996 and $1.9 million thereafter. In the first six months of fiscal year 1996, spending related to the 1991 restructure plan amounted to $0.7 million.

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

LIQUIDITY AND CAPITAL RESOURCES

As of June 3, 1995, the Company expected to spend $1.8 million in fiscal year 1996 and $15.1 million thereafter on non-capitalizable environmental activities. In the first six months of fiscal year 1996, no amounts were expended for non-capitalizable environmental projects and the Company currently believes that expenditures will not exceed $0.6 million during fiscal year 1996, however, total future expenditures are still estimated to be $16.9 million. The Company has completed all environmental projects within established timetables and is continuing to do so at the present time.

The Company from time to time expends cash on capital expenditures for more cost effective operations, environmental projects and joint development programs with customers. Capital expenditures amounted to $18.7 million for the year ended June 3, 1995 ("fiscal year 1995"). Capital expenditures in the foreseeable future are expected to increase somewhat from fiscal year 1995 levels. In the first six months of fiscal year 1996, capital expenditures amounted to $6.8 million.

As of December 2, 1995, the Company had invested $4.5 million in cash towards its share of the capital requirements of the Australian Joint Venture for the production of nickel-based superalloy. The Company is committed to invest an additional $3.0 million in the Joint Venture. The Australian Joint Venture has entered into a credit agreement with an Australian bank under which it has $17.3 million in borrowings outstanding. The Company has guaranteed 25.0% of the Australian Joint Venture's obligations under the credit agreement. This guarantee expires at such time as the Australian Joint Venture demonstrates its ability to produce commercially acceptable products. The book value of the Company's investment in the Australian Joint Venture as of December 2, 1995 is approximately $2.3 million. The Australian Joint Venture has not generated sufficient cash flow to service its debt, and if the operations do not become profitable in the future, the Company may be required to make further provisions or to write-off all or a portion of the remaining book value of its investment and repay up to 25.0% of the Australian Joint Venture's $17.3 million debt, which is guaranteed by the Company.

The Company's revolving receivables-backed credit facility (the "Receivables Financing Program") among the Company, certain subsidiaries and Wyman-Gordon Receivables Company ("WGRC") and a

Revolving Credit Agreement among WGRC and the financial institutions party thereto provide the Company with an aggregate maximum borrowing capacity under the Receivables Financing Program of $65.0 million, with a letter of credit sub-limit of $35.0 million. The term of the Receivables Financing Program is

LIQUIDITY AND CAPITAL RESOURCES, (Continued)

five years, with an evergreen feature. As of December 2, 1995, under the credit facility, the total availability based on eligible receivables was $40.5 million, there were no borrowings and letters of credit amounting to $9.5 million were outstanding.

Wyman-Gordon Limited, the Company's subsidiary located in Livingston, Scotland, entered into a credit agreement ("the U.K. Credit Agreement"). The maximum borrowing capacity under the U.K. Credit Agreement is 3.0 million pounds sterling with a separate letter of credit or guarantee limit of 2.0 million pounds sterling. The term of the U.K. Credit Agreement is one year with an evergreen feature. There were 1.1 million pounds sterling or $1.7 million of borrowings outstanding at December 2, 1995 and the Company had issued 1.9 million pounds sterling or $2.9 million of letters of credit or guarantees under the U.K. Credit Agreement.

The primary sources of liquidity available to the Company in fiscal year 1996 to fund operations, anticipated expenditures in connection with the integration of Cameron, planned capital expenditures and planned environmental expenditures include available cash ($17.8 million at December 2, 1995), borrowing availability under the Company's Receivables Financing Program, cash generated by operations and reductions in working capital requirements through planned inventory reductions and accounts receivable management.

Cash from operations, reductions of working capital requirements and debt are expected to be the Company's primary sources of liquidity beyond fiscal year 1996. The Company believes that it has adequate resources to provide for its operations and the funding of restructuring, integration, capital and environmental expenditures.

The Company's current plans to improve operating results include completing the integration of Cameron, further reductions of personnel and various other cost reduction measures. Programs to expand the Company's revenue base include participation in new aerospace programs and expansion of participation in the land-based gas turbine and extruded pipe markets and other markets in which the Company has not traditionally participated. The Company anticipates that, in addition to the growth in commercial aviation, the aging current commercial airline fleet will require future orders for its replacement.

IMPACT OF INFLATION

The Company's earnings may be affected by changes in price levels and in particular, changes in the price of basic metals. The Company's contracts generally provide for fixed prices for finished products with limited protection against cost increases. The Company would therefore be affected by changes in prices of the raw materials during the term of any such contract. The Company attempts to minimize this risk by entering into fixed price arrangements with raw material suppliers.

ACCOUNTING AND TAX MATTERS

In March 1995, the Financial Accounting Standards Board issued Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed of" ("SFAS 121") which must be adopted by the Company no later than fiscal year 1997. SFAS 121 prescribes the accounting for the impairment of long-lived assets that are to be held and used in the business and similar assets to be disposed of. The Company has not determined the impact of adopting SFAS 121 on its financial position or results of operations.

In December 1995, the Financial Accounting Standards Board Issued Statement No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123") which must be adopted by the Company no later than fiscal year 1997. SFAS 123 prescribes the accounting and disclosure of compensation of all stock-based awards to employees. The Company has not determined the impact of adopting SFAS 123 on its financial position or results of operations.

As of June 3, 1995, the Company had net operating loss carryforwards ("NOLS") of approximately $67.0 million, which begin expiring in year 2006. The Company is seeking to utilize a substantial portion of such NOLS to obtain a refund in excess of $20.0 million of prior years' taxes. To the extent that the Company is not successful in recovering a refund of prior years' taxes, the NOLS will be available to offset future taxable income, if any. A reasonable estimation of the potential recovery cannot be made at this time and, accordingly, no adjustment has been made in the financial statements with respect to the claim for such refund.

The Company has purchased and is named as beneficiary on approximately 1,650 life insurance policies with an aggregate cash surrender value of approximately $10.1 million as of December 2, 1995, issued by Confederation Life Insurance Company (U.S.), which is currently in rehabilitation. Confederation Life Insurance Company is continuing to pay benefits under the policies but has ceased to redeem cash surrender values. No assurances can be given regarding to what extent the Company will be able to realize such cash surrender values in the future.

PART II.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On October 18, 1995, the Company held the annual meeting of stockholders. The holders of approximately 73% of the 35,145,325 shares of common stock outstanding as of the record date were represented at the meeting either in person or by proxy. The following are the voting results from the meeting:

1. The stockholders elected the following directors of the Company, each for a three year term expiring in 1998 and until his successor is elected and qualified:

DIRECTOR	VOTES IN FAVOR	VOTES WITHHELD AUTHORITY

Dewain K. Cross	25,382,775	203,694
Russell E. Fuller	25,382,140	204,329
David P. Gruber	25,385,382	201,087
John M. Nelson	25,384,568	201,901
H. John Riley	25,386,546	199,923

2. The stockholders approved the Wyman-Gordon Long-Term Incentive Plan with 23,103,575 votes in favor, 402,220 votes against, 98,032 abstentions and 1,982,642 broker non-votes.

3. The stockholders approved the Wyman-Gordon Company Employee Stock Purchase Plan with 23,405,236 votes in favor, 154,495 votes against, 44,096 abstentions and 1,982,642 broker non-votes.

4. The stockholders approved the Wyman-Gordon Company Non-Employee Director Stock Option Plan with 22,845,353 votes in favor, 678,227 votes against, 80,247 abstentions and 1,982,642 broker non-votes.

5. The stockholders approved the Wyman-Gordon Company Performance Share Agreement between David P. Gruber and the Company with 24,836,745 votes in favor, 413,504 votes against, 130,305 abstentions and 205,915 broker non-votes.

6. The stockholders approved the selection of Ernst & Young, LLP independent public accountants, as the Company's auditors for the year 1996, with 25,504,663 votes in favor, 21,935 votes against, 59,871 abstentions, and no broker non-votes.

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

(a) Exhibits

The following exhibits are being filed as part of this Form 10-Q:

<TABLE>
<CAPTION>
Exhibit No. Description

<S>	<C>
27	Financial Data Schedule for the Six Months Ended December 2, 1995

</TABLE>

(b) No reports on Form 8-K have been filed with the Commission during the period covered by this report.

SIGNATURES

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

WYMAN-GORDON COMPANY

Date: 1/11/96 By: /s/ ANDREW C. GENOR
Andrew C. Genor
Vice President,
Chief Financial Officer and Treasurer

Date: 1/11/96 By: /s/ JEFFREY B. LAVIN
Jeffrey B. Lavin
Assistant Corporate Controller

<TABLE> <S> <C>

<ARTICLE> 5

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<OTHER-SE>	54,986
<TOTAL-LIABILITY-AND-EQUITY>	372,036
<SALES>	230,930
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<INCOME-PRETAX>	11,151
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