SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

BARR LABORATORIES INC

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SIC: **2834** Pharmaceutical preparations

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2 QUAKER RD BOX 2900
POMONA NY 10970
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For quarterly period ended March 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 1-9860

BARR LABORATORIES, INC.
(Exact name of Registrant as specified in its charter)

New York	22-1927534
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. - Employer Identification No.)

Two Quaker Road, P. O. Box 2900, Pomona, New York 10970-0519
(Address of principal executive offices)

914-362-1100
(Registrant's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (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

Number of shares of Common Stock, Par Value $.01, outstanding as of March 31, 1995: 9,282,427.

BARR LABORATORIES, INC. AND SUBSIDIARIES

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PART I.

BARR LABORATORIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(thousands of dollars, except per share amounts)
(unaudited)

<CAPTION>

<S>	March 31, 1995 <C>	June 30, 1994 <C>
ASSETS		
Current assets:		
Cash	$ 51,580	$ 36,499
Accounts receivable, less allowances of $2,210 and $2,000, respectively	27,310	21,633
Inventories	31,750	29,350
Deferred income taxes	4,023	3,578
Prepaid expenses	610	643
Total current assets	115,273	91,703
Property, plant and equipment, net	34,310	33,127
Other assets	877	1,077
Total assets	$150,460	$125,907
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$49,914	$32,735
Accrued liabilities	6,073	4,812
Income taxes payable	1,441	929
Total current liabilities	57,428	38,476
Long-term debt	20,393	30,433
Other liabilities	255	253
Deferred income taxes	1,768	1,761
Commitments & Contingencies		
Shareholders' Equity:		
Common Stock $.01 par value per share Authorized 30,000,000; issued 9,334,852 and 8,783,737, respectively	93	88
Additional paid-in capital	42,229	31,591
Retained earnings	28,307	23,318

	70,629	54,997
Less: cost of 52,425 shares of common stock in treasury	13	13
Total shareholders' equity	70,616	54,984
Total liabilities and shareholders' equity	$150,460	$125,907

<FN>
See accompanying notes to the consolidated financial statements.
</TABLE>

<TABLE>
BARR LABORATORIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS
(thousands of dollars, except per share amounts)
(unaudited)
<CAPTION>

<S>	Three Months Ended March 31, 1995 <C>	1994 <C>	Nine Months Ended March 31, 1995 <C>	1994 <C>
Net sales	$49,286	$29,675	$144,211	$68,493
Cost of sales	39,559	21,838	113,519	47,106
Gross Profit	9,727	7,837	30,692	21,387
Costs and expenses:				
Selling, general and administrative	5,038	4,630	13,517	13,641
Research and development	2,780	1,689	7,942	4,923
Earnings from operations	1,909	1,518	9,233	2,823
Interest income	487	180	1,178	451
Interest expense	(687)	(663)	(2,081)	(1,961)
Other (expense) income, net	(2)	(28)	87	(56)
Earnings before income taxes, extraordinary loss and cumulative effect of accounting change	1,707	1,007	8,417	1,257
Income tax expense	666	398	3,283	490
Earnings before extraordinary loss and cumulative effect of accounting change	1,041	609	5,134	767
Extraordinary loss on early extinguishment of debt, net of taxes	(145)	-	(145)	-
Earnings before cumulative effect of accounting change	896	609	4,989	767
Cumulative effect of accounting change	-	-	-	374
Net earnings	$896	$609	$4,989	$1,141

PER COMMON SHARE:

Earnings before extraordinary loss and cumulative effect of accounting change	$0.12	$0.07	$0.58	$0.09
Extraordinary loss on early extinguishment of debt, net of taxes	(0.02)	-	(0.02)	-
Earnings before cumulative effect of accounting change	0.10	0.07	0.56	0.09
Cumulative effect of accounting change	-	-	-	0.04
Net earnings	$0.10	$0.07	$0.56	$0.13
Weighted average number of common shares	9,015,891	8,707,204	8,832,524	8,677,774

<FN>
See accompanying notes to the consolidated financial statements.
</TABLE>

<TABLE>
CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Nine Months Ended March 31, 1995 and 1994
(thousands of dollars, except share information; unaudited)
<CAPTION>

<S>	<C> 1995	<C> 1994
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:		
Net earnings	4,989	1,141
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,266	2,643
Deferred income tax benefit	(438)	-
Cumulative effect of accounting change	-	(374)
Write-off of deferred financing fees associated with early extinquishment of debt	188	-
(Gain) Loss on disposal of equipment	(84)	24
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(5,677)	(8,160)
Inventories	(2,400)	(14,317)
Prepaid expenses	33	(149)
Other assets	(53)	(190)
Increase (decrease) in accounts payable, accrued liabilities and income taxes payable	18,965	22,809
Net cash provided by operating activities	18,789	3,427
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(4,600)	(3,014)
Proceeds from sale of property, plant and equipment	300	36
Net cash used in investing activities	(4,300)	(2,978)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES:		
Principal payments on long-term debt	(51)	(118)
Fees associated with conversion of debt to equity	(17)	-
Proceeds from exercise of stock options and employee stock purchases	660	779
Net cash provided by financing activities	592	661
Increase in cash	15,081	1,110

Cash and cash equivalents at beginning of period	36,499	25,048
Cash and cash equivalents at end of period	$51,580	$26,158
Supplemental cash flow data-Cash paid during the period:		
Interest, net of portion capitalized	$ 1,580	$ 1,546
Income taxes	$ 3,127	$ -
Supplemental disclosure of non-cash financing activity:		
Issuance of 510,358 shares of common stock upon conversion of $10,000 Convertible Subordinated Notes	$10,000	-

<FN>
See accompanying notes to the consolidated financial statements.
</TABLE>

BARR LABORATORIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Basis of Presentation

The consolidated financial statements include the accounts of Barr Laboratories, Inc. and its wholly-owned subsidiaries (the "Company" or "Barr").

In the opinion of the Management of the Company, the interim consolidated financial statements include all adjustments consisting only of normal recurring adjustments, necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods. Interim results are not necessarily indicative of the results that may be expected for a full year. These financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended June 30, 1994, and quarterly reports on Forms 10-Q for the periods ended September 30, and December 31, 1994.

Certain amounts in prior years' financial statements have been reclassified to conform with the current year presentation.

2. Inventories

Inventories consisted of the following (in thousands of dollars):

	March 31, 1995	June 30, 1994
Raw materials and supplies	$18,131	$18,064
Work-in-process	5,863	5,093
Finished goods	7,756	6,193
Totals	$31,750	$29,350

Tamoxifen Citrate, purchased as a finished product, accounted for approximately $3,500 and $1,992 of finished goods as of March 31, 1995, and June 30, 1994, respectively.

3. Cumulative Effect of Accounting Change - SFAS No.109

Effective July 1, 1993, the Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (SFAS 109). The Standard requires a change from the deferred method under APB Opinion 11 to the asset and liability method of accounting for income taxes. Under the asset and liability method of SFAS 109, deferred income taxes are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The cumulative effect of this accounting change was a one-time gain of $374,000 or $.04 per share.

BARR LABORATORIES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

4. Earnings Per Common Share and Common Share Equivalents

For the three and nine-month periods ended March 31, 1995 and 1994, earnings per common share are computed by dividing the earnings applicable to common stock by the weighted average number of common shares outstanding during the period. The effects of stock options outstanding resulted in less than 3% dilution. The effects of the convertible subordinated debt and related interest adjustment to earnings were excluded from the three and nine-months ended March 31, 1994, as they would be anti-dilutive.

5. Cash and Cash Equivalents

As of March 31, 1995, and June 30, 1994, approximately $37,000 and 17,000, respectively, of the Company's cash was held in a cash collateral account to secure extension of credit to it by the manufacturer of Tamoxifen Citrate. (See Management's Discussion And Analysis Of Financial Condition And Results Of Operations -- Liquidity and Capital Resources.)

6. Commitments and Contingencies

Litigation
The Company, at March 31, 1995, was involved in lawsuits incidental to its business, including patent infringement actions. Management, based on the advice of legal counsel, believes that the ultimate disposition of these lawsuits will not have any significant adverse effect on the Company's consolidated financial statements.

7. Extraordinary Loss from Early Extinguishment of Debt

In the quarter ended March 31, 1995, the Company incurred an extraordinary loss resulting primarily from the write-off of deferred financing costs associated with its 10.05% Convertible Subordinated Notes which were converted to 510,358 shares of common stock in February 1995. This extraordinary loss from early extinguishment of debt, net of taxes, was $145,000 or $0.02 per share for the three- and nine-months ended March 31, 1995.

BARR LABORATORIES, INC. AND SUBSIDIARIES

Item 2.
Management's Discussion And Analysis Of Financial
Condition And Results Of Operations

Results of Operations
Comparison of the Quarter Ended March 31, 1995
to the Quarter Ended March 31, 1994 - (thousands of dollars)

Net sales increased 66.1% to $49,286 from $29,675. The increase is primarily attributable to a continued increase in demand for Tamoxifen Citrate ("Tamoxifen"), the breast cancer treatment distributed by the Company.

Tamoxifen sales increased 126% to $35,695 from $15,825. The increase reflects the Company's growing market share of the total Tamoxifen market. Tamoxifen is a patented product and is manufactured for the Company by the innovator/patent holder. Tamoxifen, which is distributed by the Company under a non-exclusive license agreement with the innovator, currently only competes against the innovator's product, which is sold under a brand name.

Gross profit increased to $9,727 from $7,837 primarily due to increased sales volume. However, the gross margin decreased to 19.7% from 26.4%. This decrease is primarily attributed to the lower gross margins earned on the distribution of Tamoxifen and by price erosion encountered on certain of the Company's manufactured products.

Selling, general and administrative expenses increased to $5,038 from $4,630, yet declined as a percentage of net sales to 10.2% from 15.6%. This increase of $408 is primarily attributed to increases in salaries and related expenses, additional depreciation and associated expenses resulting from implementation of a new core computer system, and additional legal fees. This increase was offset in part by a reduction in sales commissions as a result of the re-negotiation of an outside sales representative's contract with the Company in the quarter ended March 31, 1994. The decrease as a percentage of net sales was expected and is due to the significant increase in net sales.

Research and development expenses increased nearly 65% to $2,780 from $1,689. This increase reflects the Company's commitment to its research and development efforts in fiscal 1994-1995. The Company has hired additional personnel, purchased raw material used in research and development, and has increased spending with outside laboratories to conduct biostudies.

Interest income increased approximately 171% to $487 from $180, due to an increase in the average balance of short-term investments as well as an increase in the rate of return earned on those investments.

In the quarter ended March 31, 1995, the Company incurred an extraordinary loss resulting primarily from the write-off of deferred financing costs associated with its 10.05% Convertible Subordinated Notes which were converted to common stock in February 1995.

The tax provisions for the quarters ended March 31, 1995, and March 31, 1994, were calculated at an effective tax rate of 39.0% and 39.5% respectively.

Results of Operations
Comparison of the Nine Months Ended March 31, 1995
to the Nine Months Ended March 31, 1994
(thousands of dollars, except for per share amounts)

Net sales increased approximately 111% to $144,211 from $68,493. This increase is primarily attributable to a continued increase in demand for Tamoxifen, the breast cancer treatment distributed by the Company.

During the nine months ended March 31, 1995, sales of Tamoxifen accounted for approximately 71% of net sales. Since the Company did not commence selling Tamoxifen until November 1, 1993, a comparison of sales of the product during the nine month period ended March 31, 1995, with such sales during the comparable period in 1994, would not be meaningful. Tamoxifen is a patented product and is manufactured for the Company by the innovator/patent holder. Tamoxifen, which is distributed by the Company under a non-exclusive license agreement with the innovator, currently only competes against the innovator's product, which is sold under a brand name.

Gross profit increased to $30,692 from $21,387 due to increased sales volume. However, the gross margin decreased to 21.3% from 31.2%. This decrease is primarily attributed to the lower gross margins associated with the distribution of Tamoxifen, price erosion on certain of the Company's manufactured products and, to a lesser extent, to higher manufacturing overhead costs.

Selling, general and administrative expenses decreased slightly to $13,517 from $13,641, and declined as a percentage of net sales to 9.4% from 19.9%. Increases in salaries and bonuses, recruiting expenses, training expenses, as well as additional depreciation and associated expenses resulting from the implementation of a new core computer system, were offset by decreases in legal fees. The Company's legal expenses decreased as a result of the settlement of its dispute with the FDA and a decrease in legal expenses incurred in connection with the Company's lawsuit challenging the validity of the patent on AZT. The increases discussed above were also offset by a reduction in sales commissions as a result of the re-negotiation of an outside sales representative's contract with the Company in the quarter ended March 31, 1994.

Research and development expenses increased over 60% to $7,942 from $4,923. This increase reflects the Company's commitment to its research and development efforts in fiscal 1994-1995. The Company has hired additional personnel, purchased raw material used in research and development, and has increased spending with outside laboratories to conduct biostudies.

Interest income increased 161% to $1,178 from $451, due to an increase in the average balance of short-term investments as well as an increase in the rate of return earned on those investments.

In the quarter ended March 31, 1995, the Company incurred an extraordinary loss resulting primarily from the write-off of deferred financing costs associated with its 10.05% Convertible Subordinated Notes which were converted to common stock in February 1995.

The tax provisions for the nine months ended March 31, 1995, and 1994 were calculated at an effective tax rate of 39.0%. Additionally, effective July 1, 1993, the Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." The cumulative effect of this accounting change was a one time gain of $374 or $.04 per share. (See Note 3 to the Consolidated Financial Statements.)

Liquidity and Capital Resources

The Company had cash and cash equivalents of $51,580 at March 31, 1995, compared to $36,499 at June 30, 1994, an increase of $15,081. This increase resulted primarily from cash provided by operations, slightly offset by capital expenditures. As of March 31, 1995, approximately $37,000 of the Company's cash was held in a cash collateral account to secure credit extended to the

Company by the manufacturer of Tamoxifen. The Company continues to evaluate alternatives to using cash to secure this payable, including obtaining a letter of credit facility. The Company has the right to replace the cash collateral with letters of credit once such a facility is obtained.

Cash provided from operating activities was $18,789 for the nine months March 31, 1995, which included net earnings of $4,989. Additionally, increases in accounts payable, accrued liabilities and income taxes payable of $18,965, as well as non-cash charges (depreciation and amortization) of $3,266 had a favorable impact on the cash provided by operating activities. The increases in accounts payable and accounts receivable were primarily due to increased purchases and sales of Tamoxifen.

The Company purchased approximately $4,600 in capital assets during the nine months ended March 31, 1995. Upgrading the Company's core computer systems, an expansion of the Company's executive and administrative offices and purchase of new equipment accounted for the majority of these expenditures. The Company expects that its capital expenditures may increase significantly during the fourth quarter of fiscal 1995 and during the next fiscal year. This anticipated increase will be primarily attributed to the construction of a new multi-purpose facility. The Company is currently evaluating alternatives for financing the construction of this facility.

On February 17, 1995, the Company issued 510,358 common shares of Barr Laboratories stock upon conversion by the noteholders of the $10 million principal amount of all outstanding 10.05% Convertible Subordinated Notes.

The Company is currently exploring numerous alternatives to secure a working capital line of credit, including a facility to provide standby letters of credit to secure future Tamoxifen purchases. The Company believes that such a line will allow the Company to utilize its existing escrow funds to help fund operations and capital expenditures.

Management believes that existing capital resources, along with the Company's ability to obtain additional capital, if required, will be adequate to meet its needs for the foreseeable future.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

a) Exhibit Number Exhibit

Exhibit Number	Exhibit
11	Computation of per share earnings
27	Financial data schedule

(b) A report on Form 8-K was filed, dated February 22, 1995, containing a press release issued by the Registrant announcing that its noteholders had elected to convert the entire amount of all outstanding 10.05% Convertible Subordinated Notes to common shares of Barr Laboratories stock.

BARR LABORATORIES, INC. AND SUBSIDIARIES

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.

BARR LABORATORIES, INC.

Dated: May 10, 1995 /s/ Bruce L. Downey
Bruce Downey, Chairman,
Chief Executive Officer and President

Dated: May 10, 1995 /s/ Paul M. Bisaro
Paul M. Bisaro, Chief Financial Officer
and General Counsel

Dated: May 10, 1995 /s/ Peter J. Finnerty
Peter J. Finnerty, Corporate Controller

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<TABLE>
BARR LABORATORIES, INC. AND SUBSIDIARIES
COMPUTATION OF PER SHARE EARNINGS
QUARTER AND NINE MONTHS ENDED MARCH 31, 1995 AND 1994
(Amounts in thousands, except per share amounts)
<CAPTION>

<S>	1995 QUARTER <C>	1994 QUARTER <C>	1995 Y-T-D <C>	1994 Y-T-D <C>
PRIMARY				
Average shares outstanding	9,016	8,707	8,833	8,678
Net effect of dilutive stock options - based on the treasury stock method using average market price	- i	- i	- ii	- ii
Total	9,016	8,707	8,833	8,678
Net earnings	$896	$609	$4,989	$1,141
Net earnings per share	$0.10	$0.07	$0.56	$0.13
FULLY DILUTED				
Average shares outstanding	9,016	8,707	8,833	8,678
Net effect of dilutive stock options - based on the treasury stock method using: average market price	- iii	189	- iii	216
Convertible debenture	-	503	-	503
Total	9,016	9,399	8,833	9,397
Net earnings	$896	$609	$4,989	$1,141
Deferred finance charges, net of tax	-	14	-	14
Interest adjustment, net of tax	-	151	-	307
Total	$896	$774	$4,989	$1,462
Net earnings per share	$0.10	$0.08 iv	$0.56	$0.16 iv

i) Stock options of 199 and 189 in 1995 and 1994, respectively, are not included because their inclusion results in less than 3% dilution.

ii) Stock options of 220 and 216 in 1995 and 1994, respectively, are not included because their inclusion results in less than 3% dilution.

iii) Stock options of 199 and 234 in the three and nine months of 1995 are not included because their inclusion results in less than 3% dilution.

iv) Anti-dilutive
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