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 THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 1997

(_) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM ___________ TO __________

1-4462
Commission File Number

STEPAN COMPANY
(Exact name of registrant as specified in its charter)

Delaware	36 1823834
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

Edens and Winnetka Road, Northfield, Illinois 60093
(Address of principal executive offices)

Registrant's telephone number (847) 446-7500

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 October 31, 1997
Common Stock, $1 par value	9,822,00 Shares

Part I FINANCIAL INFORMATION

Item 1 - Financial Statements

STEPAN COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
September 30, 1997 and December 31, 1996
Unaudited

(Dollars in Thousands)	9/30/97	12/31/96
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,819	$ 4,778
Receivables, net	84,336	85,017
Inventories (Note 2)	47,126	50,242
Deferred income taxes	10,703	10,703
Other current assets	3,444	2,958
Total current assets	$148,428	$153,698
PROPERTY, PLANT AND EQUIPMENT:		
Cost	523,355	497,882
Less accumulated depreciation	313,970	290,723
Property, plant and equipment, net	209,385	207,159
OTHER ASSETS	23,352	20,155
Total assets	$381,165	$381,012
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current maturities of long-term debt	$ 4,311	$ 6,973
Accounts payable	40,571	43,417
Accrued liabilities	32,378	32,986
Total current liabilities	77,260	83,376
DEFERRED INCOME TAXES	37,822	35,954
LONG-TERM DEBT, less current maturities	100,870	102,567
OTHER NON-CURRENT LIABILITIES	27,701	27,500
STOCKHOLDERS' EQUITY:		
5-1/2% convertible preferred stock, cumulative, voting without par value; authorized 2,000,000 shares; issued 795,672 shares in 1997 and 796,972 shares in 1996	19,892	19,924
Common stock, $1 par value; authorized 15,000,000 shares; issued 10,310,690 shares in 1997 and 10,131,706 shares in 1996	10,311	10,132
Additional paid-in capital	6,979	5,066
Cumulative translation adjustments	(6,853)	(4,820)
Retained earnings (approximately $53,775 unrestricted in 1997 and $46,689 in 1996)	118,965	106,513
	149,294	136,815
Less - Treasury stock, at cost	11,782	5,200
Stockholders' equity	137,512	131,615
Total liabilities and stockholders' equity	$381,165	$381,012

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these condensed consolidated balance sheets.

STEPAN COMPANY
CONSOLIDATED STATEMENTS OF INCOME
For the Three and Nine Months Ended September 30, 1997 and 1996
Unaudited

(In Thousands, except per share amounts)	Three Months Ended September 30		Nine Months Ended September 30	
	1997	1996	1997	1996
NET SALES	$146,502	$137,922	$439,822	$406,491
Cost of Sales	118,197	115,680	360,188	333,344
Gross Profit	28,305	22,242	79,634	73,147
Operating Expenses:				
Marketing	4,724	5,104	14,730	14,641
Administrative	4,447	2,171	14,217	12,248
Research, Development and Technical Services	4,889	5,043	14,902	14,568
	14,060	12,318	43,849	41,457
Operating Income	14,245	9,924	35,785	31,690
Other Income (Expense):				
Interest, Net	(1,855)	(1,643)	(5,625)	(5,362)
Loss from Equity Joint Ventures	(1,428)	(741)	(1,198)	(923)
	(3,283)	(2,384)	(6,823)	(6,285)
Income Before Income Taxes	10,962	7,540	28,962	25,405
Provision for Income Taxes	4,819	3,338	12,019	10,395
NET INCOME	$ 6,143	$ 4,202	$ 16,943	$ 15,010
Net Income Per Common Share (Note 3)				
Primary	$ 0.60	$ 0.39	$ 1.64	$ 1.42
Fully Diluted	$ 0.55	$ 0.38	$ 1.53	$ 1.35
Dividends per Common Share	$ 0.1250	$ 0.1175	$ 0.3750	$ 0.3525
Average Common Shares Outstanding	9,821	10,007	9,832	10,017

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

STEPAN COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 1997 and 1996
Unaudited

(Dollars In Thousands)	9/30/97	9/30/96
NET CASH FLOW FROM OPERATING ACTIVITIES		
Net income	$ 16,943	$ 15,010
Depreciation and amortization	26,656	24,716
Deferred revenue recognition	(2,529)	(1,923)
Customer prepayments	2,292	5,475
Deferred income taxes	1,961	88
Non-current environmental and legal liabilities	(498)	--
Other non-cash items	944	746
Changes in Working Capital:		
Receivables, net	681	(5,290)
Inventories	3,116	7,861
Accounts payable and accrued liabilities	(2,518)	1,039
Other	(486)	191
Net Cash Provided by Operating Activities	46,562	47,913
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(29,570)	(35,326)
Investment in subsidiaries or joint ventures	--	(3,848)
Other non-current assets	(4,938)	243
Net Cash Used for Investing Activities	(34,508)	(38,931)
CASH FLOWS FROM FINANCING AND OTHER RELATED ACTIVITIES		
Revolving debt and notes payable to banks, net	5,326	2,200
Other debt borrowings	--	3,947
Other debt repayments	(9,671)	(9,190)
Purchase of treasury stock, net	(6,582)	(802)
Dividends paid	(4,491)	(4,333)
Other non-cash items	1,405	(32)
Net Cash Used for Financing and Other Related Activities	(14,013)	(8,210)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,959)	772
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,778	3,148
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 2,819	$ 3,920
CASH PAID DURING THE PERIOD FOR:		
Interest	$ 5,236	$ 7,454
Income taxes	$ 12,054	$ 8,559

The accompanying Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

STEPAN COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 1997 and December 31, 1996
Unaudited

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements included herein have been prepared by the company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although management believes that the disclosures are adequate and make the information presented not misleading. It is suggested that these condensed consolidated financial statements be read in conjunction with the financial statements and the notes thereto included in the company's latest Annual Report to Stockholders and the Annual Report to the Securities and Exchange Commission on Form 10-K for the year ended December 31, 1996. In the opinion of management all adjustments, consisting only of normal recurring adjustments, necessary to present fairly the consolidated financial position of Stepan Company as of September 30, 1997, and the consolidated results of operations for the three and nine months then ended and cash flows for the nine months then ended, have been included.

2. INVENTORIES

Inventories include the following amounts:

(Dollars in Thousands)	9/30/97	12/31/96
Inventories valued primarily on LIFO basis -		
Finished products	$29,158	$30,689
Raw materials	17,968	19,553
Total inventories	$47,126	$50,242

If the first-in, first-out (FIFO) inventory valuation method had been used for all inventories, inventory balances would have been approximately $12,500,000 and $12,800,000 higher than reported at September 30, 1997, and December 31, 1996, respectively.

3. NET INCOME PER COMMON SHARE

Primary net income per common share amounts are computed by dividing net income less the convertible preferred stock dividend requirement by the weighted average number of common shares outstanding. Fully diluted net income per share amounts are based on an increased number of common shares that would be outstanding assuming the exercise of certain outstanding stock options and the conversion of the convertible preferred stock, when such conversion would have the effect of reducing net income per share. For computation of earnings per share, reference should be made to Exhibit 11.

4. CONTINGENCIES

There are a variety of legal proceedings pending or threatened against the company. Some of these proceedings may result in fines, penalties, judgments or costs being assessed against the company at some future time. The company's operations are subject to extensive local, state and federal regulations, including the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("Superfund") and the Superfund amendments of 1986. The company, and others, have been named as potentially responsible parties at affected geographic sites. As discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations included in this filing, the company believes that it has made adequate provisions for the costs it may incur with respect to these sites. The company has estimated a range of possible environmental and legal losses from $4.1 million to $25.8 million at September 30, 1997. At September 30, 1997, the company's reserve was $20.5 million for legal and environmental matters compared to $21.0 million at December 31, 1996.

For certain sites, estimates cannot be made of the total costs of compliance, or the company's share of such costs; accordingly, the company is unable to predict the effect thereof on future results of operations. In the event of one or more adverse determinations in any annual or interim period, the impact on results of operations for those periods could be material. However, based upon the company's present belief as to its relative involvement at these sites, other viable entities' responsibilities for cleanup and the extended period over which any costs would be incurred, the company believes that these matters will not have a material effect on the company's financial position. Certain of these matters are discussed in Item 3, Legal Proceedings, in the 1996 Form 10-K Annual Report and in other filings of the company with the Securities and Exchange Commission, which are available upon request from the company.

5. ACQUISITION

In April 1997, the company acquired the west coast anionic surfactant business from Lonza, Inc. The acquisition consisted of intangible assets, including customer lists, goodwill, know-how and a non-compete covenant. No manufacturing facilities were included in the agreement. The acquisition enables the company to significantly strengthen its market share in the personal care market on the west coast.

6. RECLASSIFICATIONS

Certain amounts in the 1996 financial statements have been reclassified to conform with the 1997 presentation.

STEPAN COMPANY
Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is management's discussion and analysis of certain significant factors which have affected the company's financial condition and results of operations during the interim period included in the accompanying condensed consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES

For the first three quarters of 1997, net cash from operations totaled $46.6 million, a decrease of $1.4 million, or three percent, from last year's first three quarters total. Current period customer prepayments credited to deferred revenue have totaled $2.3 million for 1997, compared to $5.5 million recorded for the same period in 1996, a $3.2 million decrease from year to year. During 1997, changes in working capital have resulted in a $0.8 million source of cash compared to $3.8 million for the same period in 1996.

Capital expenditures totaled $29.6 million for the current year-to-date, down by $5.7 million, or 16 percent, from $35.3 million for the comparable 1996 period. During 1997, the company purchased certain portions of the anionic surfactant business of Lonza, Inc., of Fair Lawn, New Jersey. During 1996, investing activities included the purchase of the Shell sulfonation facility in Cologne, Germany.

Since last year-end, total company debt has decreased by $4.4 million, to $105.2 million. At September 30, 1997, the ratio of long-term debt to long-term debt plus shareholders' equity stood at 42.3 percent, down from 43.8 percent as of December 31, 1996.

The company maintains contractual relationships with its domestic banks which provide for $45 million of revolving credit which may be drawn upon as needed for general corporate purposes. At September 30, 1997, the company had $15.8 million outstanding under this revolving credit line. The company also meets short-term liquidity requirements through uncommitted bank lines of credit and bankers' acceptances. The company's foreign subsidiaries maintain committed and uncommitted bank lines of credit in their respective countries to meet working capital requirements as well as to fund capital expenditure programs and acquisitions.

The company anticipates that cash from operations and from committed credit facilities will be sufficient to fund anticipated capital expenditures, dividends, acquisitions, joint venture investments and other planned financial commitments for the foreseeable future.

RESULTS OF OPERATIONS

Three Months Ended September 30, 1997 and 1996

Net income for the third quarter ended September 30, 1997, was $6.1 million, or $.60 per share, up 46 percent from the $4.2 million, or $.39 per share reported for the same quarter a year earlier.

The 1997 results included a charge of $2.1 million ($.21 per share) for exchange losses related to the devaluation of the Philippine peso. Net sales rose six percent to $146.5 million, from $137.9 million reported last year. Net sales by product group were:

(Dollars in Thousands)	Three Months Ended September 30		
	1997	1996	% Change
Net Sales:			
Surfactants	$110,397	$100,611	+10
Polymers	28,449	29,851	-5
Specialty Products	7,656	7,460	+3
Total	$146,502	$137,922	+6

Surfactants net sales increased due to a 13 percent growth in sales volume. A 16 percent improvement in domestic sales volume, principally attributable to the company's laundry and cleaning and personal care product lines, accounted for the increase. Domestic volume benefited from the second quarter acquisition of Lonza, Inc.'s west coast anionic surfactant business. Weaker currency exchange rates, particularly for France and Germany, and a one percent fall in sales volume caused a decline in foreign operations' net sales.

Surfactants gross profit climbed 48 percent to $20.2 million for the third quarter of 1997 from $13.6 million for the same quarter of 1996. A strong domestic performance led by improved sales volume and product mix accounted for the rise in profit. Foreign gross profit slipped between quarters as a result of decreased margins and sales volume.

Polymers net sales fell five percent due primarily to a nine percent drop in sales volume. Polyurethane polyols and phthalic anhydride (PA) reported 13 percent and eight percent declines in volume, respectively. The loss of a large customer caused the polyol decrease. Unusually high 1996 third quarter volume, due to the extended maintenance shutdown of a competitor, contributed to the PA difference. Polyurethane systems net sales and volume were up between quarters.

Polymers gross profit of $6.0 million for the third quarter of 1997 decreased 19 percent from third quarter 1996 profits of $7.4 million. Reduced volumes and margins led to profit declines for both polyols and PA. Polyol margins were down as a result of higher raw material costs. Price reductions necessitated by competitive situations led to PA's margin drop. Despite increased volumes, polyurethane systems earnings slipped due to lower margins.

Specialty products net sales were up three percent on decreased volume. Gross profit grew to $2.1 million for the third quarter of 1997 from $1.2 million for last year's third quarter.

Losses for the company's equity joint ventures grew between quarters to $1.4 million in 1997 from $.7 million in 1996. Exchange losses in the amount of $2.1 million for the Philippine joint venture led to the increased loss. Excluding the exchange loss, the venture posted positive earnings from operations.

Operating expenses for the third quarter rose $1.7 million or 14 percent from the same quarter a year ago. Administrative expenses increased by $2.3 million between quarters. The prior year quarter included the recovery of $3.3 million of insurance costs related to environmental risks. Marketing and research expenses were both down from the third quarter of 1996.

Interest expense grew by 13 percent due to a decline in interest capitalized as part of long-term construction projects.

Nine Months Ended September 30, 1997 and 1996
- --

Net income for the nine months ended September 30, 1997, was $16.9 million, or $1.64 per share, compared to $15.0 million, or $1.42 per share reported for the same period a year earlier. The 1997 results included a third quarter charge of $2.1 million ($.21 per share) for exchange losses related to the devaluation of the Philippine peso. Net sales increased eight percent to $439.8 million from $406.5 million reported last year. Net sales by product group were:

(Dollars in Thousands)	Nine Months Ended September 30		
	1997	1996	% Change
Net Sales:			
Surfactants	$334,710	$305,531	+10
Polymers	82,835	77,265	+7
Specialty Products	22,277	23,695	-6
Total	$439,822	$406,491	+8

Surfactants net sales increased $29.2 million or 10 percent for the first nine months of 1997 compared to a year earlier. A 15 percent climb in sales volume led to higher net sales. Domestic operations accounted for most of the dollar and volume increases, reporting improvements of 12 percent and 17 percent, respectively. Domestically, the company benefited from the second quarter acquisition of Lonza, Inc.'s west coast anionic surfactant business. The benefits were seen most prominently in strong demand for laundry and cleaning and personal care products. Despite a seven percent rise in sales volume, foreign net sales declined one percent due primarily to weaker foreign currency exchange rates, particularly for the French franc.

Surfactants gross profit increased 17 percent to $58.2 million for the first nine months of 1997 from $49.8 million for the same period of 1996. A 25 percent increase in domestic operations gross profit accounted for the improved overall surfactants result. Increased volumes coupled with improved product mix drove the rise in domestic profits. Weaker margins due to tough foreign competition, particularly in Europe, led to lower foreign earnings.

Polymers net sales rose seven percent between years. Increased average selling prices, due largely to the passing on of raw material price increases, and a two percent sales volume increase caused the rise in sales. Polyurethane systems and polyurethane polyols posted volume improvements of 26 percent and five percent, respectively. Phthalic anhydride (PA) sales volume fell five percent due principally to increased internal requirements for the first half of 1997 and to unusually high 1996 third quarter volume resulting from the extended maintenance shutdown of a competitor.

Polymers gross profit decreased $.6 million or three percent to $17.6 million compared to $18.2 million recorded a year ago. Reduced margins, notably for PA and polyols, more than offset the polymer sales volume gain. PA's margin drop resulted from pricing cuts made to meet competitive situations. Higher raw material costs, which could only be partially passed along to customers, caused the decrease in polyols margins. Polyurethane systems posted higher margins on a shift to a more profitable sales mix.

Specialty products net sales decreased six percent on a 12 percent drop in sales volume. Gross profit fell 25 percent to $3.8 million in 1997 from $5.2 million in 1996. Lower sales volume and reduced margins generated the decline in profits.

Losses for the company's equity joint ventures grew between years to $1.2 million in 1997 from $.9 million in 1996. Third quarter exchange losses in the amount of $2.1 million for the Philippine joint venture led to the increased loss. Excluding the reported exchange loss, the venture posted positive earnings from operations.

Operating expenses for the first nine months increased $2.4 million or six percent. Administrative expenses climbed $2.0 million between years. The prior year results included the third quarter recovery of $3.3 million of insurance costs related to environmental risks. Lower 1997 travel expenses and consulting fees partially offset the impact of the 1996 insurance recoveries. Research and development and marketing expenses were up two percent and one percent, respectively, from those reported a year earlier.

Interest expense for the first nine months was up five percent from year to year due primarily to a decrease in interest capitalized on long-term construction projects.

1997 OUTLOOK

The company expects strong fourth quarter earnings to lead to a third consecutive record year. The core surfactant business is operating at high utilization levels with an improved product mix, and any further devaluation of the Philippine peso will hopefully not be of the magnitude already recorded. The favorable surfactant performance is expected to be tempered by lower polymer earnings.

ENVIRONMENTAL AND LEGAL MATTERS
- ------------------------------

The company is subject to extensive federal, state and local environmental laws and regulations. Although the company's environmental policies and practices are designed to ensure compliance with these laws and regulations, future developments and increasingly stringent environmental regulation could require the company to make additional unforeseen environmental expenditures. The company will continue to invest in the equipment and facilities necessary to comply with existing and future regulations. During the first nine months of 1997, company expenditures for capital projects related to the environment were $4.7 million and should approximate $6.5 million to $7.5 million for the full year 1997. These projects are capitalized and typically depreciated over 10 years. Recurring costs associated with the operation and maintenance of facilities for waste treatment and disposal and managing environmental compliance in ongoing operations at our manufacturing locations were $5.3 million for the first nine months of 1997. While difficult to project, it is not anticipated that these recurring expenses will increase significantly in the future.

The company has been named by the government as a potentially responsible party at 17 waste disposal sites where cleanup costs have been or may be incurred under the federal Comprehensive Environmental Response, Compensation and Liability Act and similar state statutes. In addition, damages are being claimed against the company in general liability actions for alleged personal injury or property damage in the case of some disposal and plant sites. The company believes that it has made adequate provisions for the costs it may incur with respect to these sites. The company has estimated a range of possible environmental and legal losses from $4.1 million to $25.8 million at September 30, 1997. At September 30, 1997, the company's reserve was $20.5 million for legal and environmental matters compared to $21.0 million at December 31, 1996. During the first nine months of 1997, expenditures related to legal and environmental matters approximated $2.3 million. For certain sites, estimates cannot be made of the total costs of compliance or the company's share of such costs; accordingly, the company is unable to predict the effect thereof on future results of operations. In the event of one or more adverse determinations in any annual or interim period, the impact on results of operations for those periods could be material. However, based upon the company's present belief as to its relative involvement at these sites, other viable entities' responsibilities for cleanup and the extended period over which any costs would be incurred, the company believes that these matters will not have a material effect on the company's financial position. Certain of these matters are discussed in Item 3, Legal Proceedings, in the 1996 Form 10-K Annual Report and in other filings of the company with the Securities and Exchange Commission, which are available upon request from the company.

ACCOUNTING STANDARD
- -------------------

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128 - Earnings Per Share (SFAS 128). SFAS 128 is effective for financial statements for both interim and annual periods ending after December 15, 1997. Earlier application is not permitted. SFAS 128 supersedes APB Opinion 15 - Earnings Per Share and replaces primary earnings per share with basic earnings per share. Fully diluted earnings per share is still required but will be titled diluted earnings per share. Had SFAS 128 been adopted in the third quarter of 1997, there would have been an immaterial impact on current year and no impact on prior year quarterly earnings per share. At this time, the company is not able to determine whether SFAS 128 will have a material impact on earnings per share upon adoption in the fourth quarter of 1997.

OTHER
- -----

Except for the historical information contained herein, the matters discussed in this document, and in particular the information included in the Outlook section, are forward looking statements that involve risks and uncertainties. The results achieved this quarter are not necessarily an indication of future prospects for the company. Actual results in future quarters may differ materially. Potential risks and uncertainties include, among others, fluctuations in the volume and timing of product orders, changes in demand for the company's products, changes in technology, continued competitive pressures in the marketplace, availability of raw materials, and general economic conditions.

Part II OTHER INFORMATION

Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibits

(11) Statement re computation of Per Share Earnings

(27) Financial Data Schedule

(b) Reports on Form 8-K

None

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.

STEPAN COMPANY

/s/ Walter J. Klein

Walter J. Klein
Vice President - Finance
Principal Financial and Accounting Officer

Date: November 11, 1997

Exhibit (11)

STEPAN COMPANY

STATEMENT RE COMPUTATION OF PER SHARE EARNINGS

For the Three and Nine Months Ended September 30, 1997 and 1996

Unaudited

(In Thousands, except per share amounts)	Three Months Ended September 30		Nine Months Ended September 30	
	1997	1996	1997	1996
Computation of per Share Earnings				
Net income	$ 6,143	$ 4,202	$16,943	$15,010
Deduct dividends on preferred stock	267	267	801	801
Income applicable to common stock	$ 5,876	$ 3,935	$16,142	$14,209
Weighted average number of shares outstanding	9,821	10,007	9,832	10,017
Per share earnings*	$ 0.598	$ 0.393	$ 1.642	$ 1.418
Computation of Per Share Primary Earnings				
Income applicable to common stock	$ 5,876	$ 3,935	$16,142	$14,209
Weighted average number of shares outstanding	9,821	10,007	9,832	10,017
Add net shares issuable from assumed exercise of options (under treasury stock method)	274	265	266	235
Shares applicable to primary earnings	10,095	10,272	10,098	10,252
Per share primary earnings*	$ 0.582	$ 0.383	$ 1.599	$ 1.386
Dilutive effect	2.7%	2.5%	2.6%	2.3%
Computation of Per Share Fully Diluted Earnings				
Net income	$ 6,143	$ 4,202	$16,943	$15,010
Weighted average number of shares outstanding	9,821	10,007	9,832	10,017
Add net shares issuable from assumed exercise of options (under treasury stock method)	383	265	349	243
Add weighted average shares issuable from assumed conversion of convertible preferred stock	885	887	886	887
Shares applicable to fully diluted earnings	11,089	11,159	11,067	11,147
Per share fully diluted earnings*	$ 0.554	$ 0.377	$ 1.531	$ 1.347
Dilutive effect	7.4%	4.1%	6.8%	5.0%

---

* Rounded

This calculation is submitted in accordance with Regulation S-K, item 601(b)(11).

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM CONDENSED CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 1997 AND CONSOLIDATED STATEMENT OF INCOME FOR THE NINE MONTHS THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

9-MOS
DEC-31-1997
JAN-01-1997
SEP-30-1997
2,819
0
84,336
0
47,126
148,428
523,355
313,970
381,165
77,260
100,870
0
19,892
10,311
107,309
381,165
439,822
439,822
360,188
404,037
0
0
5,625
28,962
12,019
16,943
0
0
0
16,943
1.64
1.53