FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

For the quarterly period ended September 28, 1996

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 0-1222

DUCOMMUN INCORPORATED
(Exact name of registrant as specified in its charter)

DELAWARE	95-0693330
(State or other jurisdiction of incorporation or organization)	I.R.S. Employer Identification No.

23301 South Wilmington Avenue, Carson, California 90745
(Address of principal executive offices) (Zip Code)

(310) 513-7200
(Registrant's telephone number, including area code)

N/A

(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 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. As of September 28, 1996, there were outstanding 7,296,276 shares of common stock.

DUCOMMUN INCORPORATED
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

DUCOMMUN INCORPORATED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands, except share amounts)

	September 28, 1996	December 31, 1995
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 39	$ 371
Accounts receivable (less allowance for doubtful accounts of $238 and $366)	15,463	13,828
Inventories	21,428	13,362
Deferred income taxes (Note 6)	6,166	5,090
Other current assets	1,515	1,151
Total Current Assets	44,611	33,802
Property and Equipment, Net	26,043	23,011
Deferred Income Taxes (Note 6)	4,611	6,451
Excess of Cost Over Net Assets Acquired (Net of Accumulated Amortization of $3,179 and $2,323)	17,803	16,697
Other Assets	492	1,013
	$ 93,560	$ 80,974
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt (Note 5)	$ 931	$ 3,910
Accounts payable	7,950	4,917
Accrued liabilities	16,707	13,728
Total Current Liabilities	25,588	22,555
Long-Term Debt (Note 5)	12,646	8,935
Convertible Subordinated Debentures (Note 5)	--	24,263
Other Long-Term Liabilities	368	633
Total Liabilities	38,602	56,386
Commitments and Contingencies (Notes 7)		
Shareholders' Equity:		
Common stock -- $.01 par value; authorized 12,500,000 shares; issued and outstanding 7,296,276 shares in 1996 and 4,852,281 in 1995	73	49
Additional paid-in capital	59,072	34,989
Accumulated deficit	(4,187)	(10,450)
Total Shareholders' Equity	54,958	24,588
	$ 93,560	$ 80,974

See accompanying notes to consolidated financial statements.

DUCOMMUN INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

	For Three Months Ended September 28, 1996	For Three Months Ended September 30, 1995
Net Sales	$ 29,778	$ 24,080
Operating Costs and Expenses:		
Cost of goods sold	20,245	15,939
Selling, general and administrative expenses	5,483	4,920
Total Operating Costs and Expenses	25,728	20,859
Operating Income	4,050	3,221
Interest Expense	(235)	(984)
Income Before Taxes	3,815	2,237
Income Tax Expense (Note 6)	(1,068)	(584)
Net Income	$ 2,747	$ 1,653
Earnings Per Share:		
Primary	$ .35	$ .34
Fully Diluted	.35	.27
Weighted Average Number of Common and Common Equivalent Shares Outstanding for Computation of Earnings Per Share:		
Primary	7,823	4,880
Fully Diluted	7,845	7,707

See accompanying notes to consolidated financial statements.

DUCOMMUN INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

	For Nine Months Ended	
	September 28, 1996	September 30, 1995
Net Sales	$ 82,439	$ 67,903
Operating Costs and Expenses:		
Cost of goods sold	55,283	46,255
Selling, general and administrative expenses	17,526	14,356
Total Operating Costs and Expenses	72,809	60,611
Operating Income	9,630	7,292
Interest Expense	(932)	(2,853)
Income Before Taxes	8,698	4,439
Income Tax Expense (Note 6)	(2,435)	(1,201)
Net Income	$ 6,263	$ 3,238
Earnings Per Share:		
Primary	$ .92	$ .68
Fully Diluted	.83	.57
Weighted Average Number of Common and Common Equivalent Shares Outstanding for Computation of Earnings Per Share:		
Primary	6,837	4,783
Fully Diluted	7,858	7,704

See accompanying notes to consolidated financial statements.

DUCOMMUN INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	For Nine Months Ended September 28, 1996	For Nine Months Ended September 30, 1995
Cash Flows from Operating Activities:		
Net Income	$ 6,263	$ 3,238
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and amortization	3,318	3,304
Deferred income tax provision	1,429	901
Changes in Assets and Liabilities, Net of Effects from Acquisitions:		
Accounts receivable	1,085	(3,712)
Inventories	(2,938)	39
Other assets	(274)	55
Accounts payable	1,917	(355)
Accrued and other liabilities	1,148	2,030
Net Cash Provided by Operating Activities	11,948	5,500
Cash Flows from Investing Activities:		
Purchases of Property and Equipment	(4,390)	(1,792)
Acquisitions	(8,000)	(4,427)
Net Cash Used in Investing Activities	(12,390)	(6,219)
Cash Flows from Financing Activities:		
Net Borrowings (Repayments) of Long-Term Debt	736	(4,768)
Cash Premium for Conversion of Convertible Subordinated Debentures	(609)	--
Other	(17)	2
Net Cash Provided by (Used in) Financing Activities	110	(4,766)
Net Decrease in Cash and Cash Equivalents	(332)	(5,485)
Cash and Cash Equivalents at Beginning of Period	371	8,483
Cash and Cash Equivalents at End of Period	$ 39	$ 2,998
Supplemental Disclosures of Cash Flow Information:		
Interest Expense Paid	$ 1,272	$ 2,132
Income Taxes Paid	$ 1,327	$ 150

Supplementary Information for Non-Cash Financing Activities:

During the first nine months of 1996, the Company issued 2,417,205 new shares of common stock upon conversion of $24,263,000 of its outstanding 7.75% convertible subordinated debentures.

See accompanying notes to consolidated financial statements.

DUCOMMUN INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS

Note 1. The consolidated balance sheets, consolidated statements of income and consolidated statements of cash flows are unaudited as of and for the three months and nine months ended September 28, 1996 and September 30, 1995. The financial information included in the quarterly report should be read in conjunction with the Company's consolidated financial statements and the related notes thereto included in its annual report to shareholders for the year ended December 31, 1995.

Note 2. Certain amounts and disclosures included in the consolidated financial statements required management to make estimates which could differ from actual results.

Note 3. Earnings per common share computations are based on the weighted average number of common and common equivalent shares outstanding in each period. Common equivalent shares represent the number of shares which would be issued assuming the exercise of dilutive stock options, reduced by the number of shares which would be purchased with the proceeds from the exercise of such options.

DUCOMMUN INCORPORATED AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER COMMON AND COMMON EQUIVALENT SHARES
(In thousands, except per share amounts)

	For Three Months Ended	
	September 28, 1996	September 30, 1995
Income for Computation of Primary Earnings Per Share	$2,747	$1,653
Interest, Net of Income Taxes, Relating to 7.75% Convertible Subordinated Debentures	--	390
Net Income for Computation of Primary Earnings Per Share	2,747	1,653
Net Income for Computation of Fully Diluted Earnings Per Share	2,747	2,043
Applicable Shares:		
Weighted Average Common Shares Outstanding for Computation of Primary Earnings Per Share	7,295	4,471
Weighted Average Common Equivalent Shares Arising From:		
7.75% convertible subordinated debentures	--	2,806
Stock Options:		
Primary	528	409
Fully diluted	550	430
Weighted Average Common and Common Equivalent Shares Outstanding for Computation of Fully Diluted Earnings Per Share	7,845	7,707
Earnings Per Share:		
Primary	$ .35	$ .34
Fully diluted	.35	.27

DUCOMMUN INCORPORATED AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER COMMON AND COMMON EQUIVALENT SHARES
(In thousands, except per share amounts)

	For Nine Months Ended	
	September 28, 1996	September 30, 1995
Income for Computation of Primary Earnings Per Share	$6,263	$3,238
Interest, Net of Income Taxes, Relating to 7.75% Convertible Subordinated Debentures	222	1,169
Net Income for Computation of Primary Earnings Per Share	6,263	3,238
Net Income for Computation of Fully Diluted Earnings Per Share	6,485	4,407
Applicable Shares:		
Weighted Average Common Shares Outstanding for Computation of Primary Earnings Per Share	6,350	4,468
Weighted Average Common Equivalent Shares Arising From:		
7.75% convertible subordinated debentures	958	2,806
Stock Options:		
Primary	487	315
Fully diluted	550	430
Weighted Average Common and Common Equivalent Shares Outstanding for Computation of Fully Diluted Earnings Per Share	7,858	7,704
Earnings Per Share:		
Primary	$ .92	$ .68
Fully diluted	.83	.57

Note 4. Acquisition

In January 1995, Ducommun acquired the capital stock of 3dbm, Inc. ("3dbm") for $4,780,000 in cash (of which $353,000 was withheld with respect to certain assets and potential liabilities of 3dbm) and $400,000 in notes. 3dbm supplies high-power expanders, microcells and other wireless communications hardware used in cellular telephone networks, and microwave components and subsystems to both military and commercial customers.

On June 28, 1996, Ducommun acquired substantially all of the assets and assumed certain liabilities of MechTronics of Arizona, Inc. ("MechTronics") for $8,000,000 in cash and a $750,000 note. Ducommun may be required to make additional payments for the period June 28, 1996 to December 31, 1996, and each of the years ending December 31, 1997, 1998, and 1999, based on the future financial performance of the business of MechTronics. MechTronics is one of the United States' leading manufacturers of high quality and high reliability mechanical and electromechanical enclosure products for the defense electronics, commercial aviation and communications markets.

The acquisition of MechTronics was accounted for under the purchase method of accounting. The consolidated statements of income include the operating results for MechTronics since the acquisition. The cost of the acquisition has been preliminarily allocated on the basis of the estimated fair value of assets acquired and liabilities assumed. This resulted in approximately $2,403,000 of cost in excess of net assets acquired. Such excess (which will increase for any future contingent payments) is being amortized on a straight line basis over fifteen years.

Note 5. Long-term debt and convertible subordinated debentures are summarized as follows:

	(In thousands)	
	September 28, 1996	December 31, 1995
Bank credit agreement	$ 8,775	$ 8,100
Term and real estate loans	3,650	3,559
Promissory notes related to acquisitions	1,152	1,186
Total debt	13,577	12,845
Less current portion	931	3,910
Total long-term debt	$12,646	$ 8,935
7.75% Convertible subordinated debentures due 2011	$ --	$24,263

During the first nine months of 1996, the Company converted $24,263,000 principal amount of its 7.75% convertible subordinated debentures. The Company paid cash of $609,000 for the conversions.

In May 1996, the Company and its bank amended the Company's credit agreement. The amended credit agreement provides for a $24,000,000 line of credit at May 16, 1996. The line of credit has an expiration date of July 1, 1998. Interest is payable monthly on the outstanding borrowings based on the bank's prime rate (8.25% at September 28, 1996). A Eurodollar pricing option is also available to the Company for terms of up to six months at the Eurodollar rate plus a spread based on the leverage ratio of the Company calculated at the end of each fiscal quarter (1.50% at September 28, 1996). At September 28, 1996, the Company had $14,883,000 of unused lines of credit, after deducting $8,775,000 of loans outstanding and $342,000 for an outstanding standby letter of credit which supports the estimated post-closure maintenance cost for a former surface impoundment.

Borrowings under the credit agreement are secured by most of the assets of the Company and its subsidiaries. The credit agreement includes minimum leverage and fixed charge coverage ratios, earnings covenants, and limitations on capital expenditures, acquisitions, future dividend payments and outside indebtedness.

The carrying amount of long-term debt approximates fair value based on the terms of the related debt and estimates using interest rates currently available to the Company for debt with similar terms and remaining maturities.

Note 6. Income Taxes

The provision for income tax expense consists of the following:

	(In thousands) For Nine Months Ended	
	September 28, 1996	September 30, 1995
Current tax expense:		
Federal	$ 219	$ 75
State	787	225
	1,006	300
Deferred tax expense:		
Federal	1,415	846
State	14	55
	1,429	901
Income Tax Expense	$2,435	$1,201

Deferred tax assets (liabilities) consist of the following:

	(In thousands) For Nine Months Ended	
	September 28, 1996	December 31, 1995
Federal and state NOLs	$ 9,795	$ 11,538
Credit carryforwards	1,338	1,197
Employment-related reserves	1,678	1,691
Inventory reserves	706	748
Other	262	1,352
	13,779	16,526
Depreciation	(2,383)	(2,552)
Net deferred tax assets before valuation allowance	11,396	13,974
Deferred tax assets valuation allowance	(619)	(2,433)
Net deferred tax asset	$ 10,777	$ 11,541

The decrease in the valuation allowance is due to the Company's reevaluation of the realizability of income tax benefits from future operations, including the acquisition of MechTronics consummated in June 1996. As a result, the carrying value of the net deferred tax benefit was increased by $1,814,000, of which $665,000 was allocated to goodwill arising from the acquisition of MechTronics and $1,149,000 was recognized as a current period tax benefit. In 1995, the carrying value of the net deferred tax asset was increased by $2,717,000, of which $1,155,000 was allocated to goodwill arising from the acquisition of 3dbm and $1,562,000 was recognized as a current period tax benefit.

At September 28, 1996, the Company had federal tax NOLs totaling $23 million which expire in the years 1999 through 2004. SFAS 109 requires that the tax benefit of such NOLs be recorded, measured by enacted tax rates, as an asset to the extent management assesses the utilization of such NOLs to be "more likely than not." Management has determined that the income of the Company will, more likely than not, be sufficient to realize the recorded deferred tax asset prior to the ultimate expiration of the NOLs. Realization of the future tax benefits of NOLs is dependent on the Company's ability to generate sufficient taxable income within the carryforward period. In assessing the likelihood of utilization of existing NOLs, management considered the historical results of operations of its operating subsidiaries, including acquired operations, and the current economic environment in which the Company operates. Management does not consider any material future changes in trends or the relationship between reported pretax income and federal and state taxable income or material asset sales or similar non-routine transactions in assessing the likelihood of realization of the recorded deferred tax asset.

Future levels of pretax income are dependent upon the extent of defense spending and other government budgetary pressures, the level of new aircraft orders by commercial airlines, production rate requirements for the Space Shuttle program, general economic conditions, interest rates, competitive pressures on sales and margins, price levels and other factors beyond the Company's control.

The ability of the Company to utilize the NOLs could be subject to significant limitation in the event of a "change in ownership" as defined in the Internal Revenue Code. A "change of ownership" could be caused by purchases or sales of the Company's securities owned by persons or groups now or in the future having ownership of 5% or more of the Company's outstanding common stock or issuance by the Company of common stock.

Note 7. Contingencies

Ducommun's subsidiary, Aerochem, Inc. ("Aerochem"), is a major supplier of chemical milling services for the aerospace industry. Aerochem has been directed by California environmental agencies to investigate and take corrective action for groundwater contamination at its El Mirage, California facility. Based upon currently available information, the Company has established a provision for the cost of such investigation and corrective action.

Aerochem and other generators of hazardous waste disposed at the Casmalia Resources Hazardous Waste Facility in California (the "Casmalia Site"), an inactive hazardous waste treatment, storage and disposal facility, have entered into a consent decree with the United States Environmental Protection Agency providing for certain cleanup and closure activities at the Casmalia Site. Aerochem contributed less than 1/4 of 1% of the total waste disposed of at the Casmalia Site and many other substantially larger companies and governmental entities are involved at the Casmalia Site. The Company has established a provision, based on currently available information, for Aerochem's share of the estimated cost of cleanup and closure of the Casmalia Site.

In the normal course of business, Ducommun and its subsidiaries are defendants in certain other litigation, claims and inquiries, including matters relating to environmental laws. In addition, the Company makes various commitments and incurs contingent liabilities. While it is not feasible to predict the outcome of these matters, the Company does not presently expect that any sum it may be required to pay in connection with these matters would have a material adverse effect on its consolidated financial position or results of operations.

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

FINANCIAL STATEMENT PRESENTATION

The interim financial statements reflect all adjustments, consisting only of normal recurring adjustments, which are, in the opinion of the Company, necessary for a fair presentation of the results for the interim periods presented.

ACQUISITION

On June 28, 1996, Ducommun acquired substantially all of the assets and assumed certain liabilities of MechTronics of Arizona, Inc. ("MechTronics") for $8,000,000 in cash and $750,000 in a note. Ducommun may be required to make additional payments for the period June 28, 1996 to December 31, 1996, and each of the years ending December 31, 1997, 1998, and 1999, based on the future financial performance of the business of MechTronics. MechTronics is one of the United States' leading manufacturers of high quality and high reliability mechanical and electromechanical enclosure products for the defense electronics, commercial aviation and communications markets.

This acquisition was funded from internally generated cash, a note payable to the seller and borrowings under the Company's credit agreement with its bank (see Financial Condition for additional information).

RESULTS OF OPERATIONS AND EFFECTS OF INFLATION

Third Quarter 1996 Compared to Third Quarter 1995

Net sales increased 24% to $29,778,000 in the third quarter of 1996. The increase was primarily due to sales from MechTronics, acquired in June 1996, increased off-load work for aircraft structural components from prime contractors and major subcontractors, and increased build rates for certain models of commercial jet aircraft.

The Company had substantial sales to Lockheed Martin, Northrop Grumman, McDonnell Douglas and Boeing. During the third quarter of 1996 and 1995, sales to Lockheed Martin were approximately $3,172,000 and $2,215,000, respectively; sales to Northrop Grumman were approximately $1,873,000 and $2,969,000, respectively; sales to McDonnell Douglas were approximately $2,851,000 and $2,374,000, respectively; and sales to Boeing were approximately $2,681,000 and $1,399,000, respectively. The sales to Lockheed Martin are primarily related to the Space Shuttle program. The sales relating to Northrop Grumman, McDonnell Douglas and Boeing are diversified over a number of different commercial and military programs.

Gross profit, as a percentage of sales, was 32.0% for the third quarter of 1996 compared to 33.8% in 1995. This decrease was primarily the result of a change in sales mix.

Selling, general and administrative expenses, as a percentage of sales, decreased to 18.4% for the third quarter of 1996, compared to 20.4% in 1995. The decrease in expenses as a percentage of sales was primarily the result of higher sales volume partially offset by an increase in related period costs.

Interest expense decreased 76% to $235,000 in the third quarter of 1996 primarily due to the conversion of $28,000,000 of convertible subordinated debentures that were outstanding at September 30, 1995.

The increase in income tax expense was due primarily to the increase in income before taxes. The Company continues to use its federal net operating loss carryforward to offset taxable income. Cash expended to pay income taxes was $360,000 in 1996, compared to $25,000 in 1995. For further discussion relating to income taxes, see Note 6 to the consolidated financial statements.

Net income for the third quarter of 1996 was $2,747,000, or $0.35 per share, compared to $1,653,000, or $0.27 per share, in 1995.

Nine Months of 1996 Compared to Nine Months of 1995

Net sales increased 21% to $82,439,000 for the nine months ended September 28, 1996. The increase was due primarily to sales from MechTronics acquired in June 1996, increased off-load work for aircraft structural components from prime contractors and major subcontractors, and increased build rates for certain models of commercial jet aircraft.

The Company had substantial sales to Lockheed Martin, Northrop Grumman, McDonnell Douglas and Boeing. During 1996 and 1995, sales to Lockheed Martin were approximately $7,964,000 and $6,761,000, respectively; sales to Northrop Grumman were approximately $6,241,000 and $7,582,000, respectively; sales to McDonnell Douglas were approximately $8,383,000 and $7,521,000, respectively; and sales to Boeing were approximately $8,709,000 and $4,166,000, respectively. The sales to Lockheed Martin are primarily related to the Space Shuttle program. The sales relating to Northrop Grumman, McDonnell Douglas and Boeing are diversified over a number of different commercial and military programs.

At September 28, 1996, backlog believed to be firm was approximately $129,800,000, including $22,618,000 for space-related business, compared to $88,600,000 at September 30, 1995 and $92,600,000 at December 31, 1995. Approximately $29,000,000 of the total backlog is expected to be delivered during the remainder of 1996.

Gross profit, as a percentage of sales, was 32.9% for the first nine months of 1996 compared to 31.9% in 1995. This increase was primarily the result of a change in sales mix, economies of scale resulting from sales increases and improvements in production efficiencies.

Selling, general and administrative expenses, as a percentage of sales, increased to 21.3% in 1996, compared to 21.1% of sales for 1995. This increase in expenses as a percentage of sales was primarily the result of period costs related to higher sales volume and $811,000 of debt conversion expense related to the conversion of $24,263,000 of convertible subordinated debentures and acquisition related costs.

Interest expense decreased 67% to $932,000 in 1996 primarily due to the conversion of $28,000,000 of convertible subordinated debentures that were outstanding at September 30, 1995.

The increase in income tax expense was primarily due to the increase in income before taxes. The Company continues to use its federal net operating loss carryforward to offset taxable income . Cash expended to pay income taxes was $1,272,000 in 1996, compared to $150,000 in 1995. For further discussion relating to income taxes, see Note 6 to the consolidated financial statements.

Net income for 1996 was $6,263,000, or $0.83 per share, compared to $3,238,000, or $0.57 per share, in 1995.

FINANCIAL CONDITION

Liquidity and Capital Resources

Cash flow from operating activities for the nine months ended September 28, 1996 was $11,948,000, of which $4,390,000 was used to purchase property and equipment. During 1996, the Company borrowed $8,000,000 to fund the acquisition of MechTronics. The Company also issued 2,417,205 new shares of common stock upon conversion of $24,263,000 of its outstanding 7.75% convertible subordinated debentures.

The Company continues to depend on operating cash flow and the availability of its bank line of credit to provide short-term liquidity. Cash from operations and bank borrowing capacity are expected to provide sufficient liquidity to meet the Company's obligations during 1996.

In May 1996, the Company and its bank amended the Company's credit agreement. The amended credit agreement provides for a $24,000,000 line of credit at May 16, 1996. The line of credit has an expiration date of July 1, 1998. Interest is payable monthly on the outstanding borrowings based on the bank's prime rate (8.25% at September 28, 1996). A Eurodollar pricing option is also available to the Company for terms of up to six months at the Eurodollar rate plus a spread based on the leverage ratio of the Company calculated at the end of each fiscal quarter (1.50% at September 28, 1996). At September 28, 1996, the Company had $14,883,000 of unused lines of credit, after deducting $8,775,000 of loans outstanding and $342,000 for an outstanding standby letter of credit which supports the estimated post-closure maintenance cost for a former surface impoundment.

The Company spent $4,390,000 on capital expenditures during the first nine months of 1996 and expects to spend less than $6,000,000 for capital expenditures in 1996.

Ducommun's subsidiary, Aerochem, Inc. ("Aerochem"), is a major supplier of chemical milling services for the aerospace industry. Aerochem has been directed by California environmental agencies to investigate and take corrective action for groundwater contamination at its El Mirage, California facility. Based upon currently available information, the Company has established a provision for the cost of such investigation and corrective action.

Aerochem and other generators of hazardous waste disposed at the Casmalia Resources Hazardous Waste Facility in California (the "Casmalia Site"), an inactive hazardous waste treatment, storage and disposal facility, have entered into a consent decree with the United States Environmental Protection Agency providing for certain cleanup and closure activities at the Casmalia Site. Aerochem contributed less than 1/4 of 1% of the total waste disposed of at the Casmalia Site and many other substantially larger companies and governmental entities are involved at the Casmalia Site. The Company has established a provision, based on currently available information, for Aerochem's share of the estimated cost of cleanup and closure of the Casmalia Site.

In the normal course of business, Ducommun and its subsidiaries are defendants in certain other litigation, claims and inquiries, including matters relating to environmental laws. In addition, the Company makes various commitments and incurs contingent liabilities. While it is not feasible to predict the outcome of these matters, the Company does not presently expect that any sum it may be required to pay in connection with these matters would have a material adverse effect on its consolidated financial position or results of operations.

Any forward looking statements made in this Form 10-Q involve risks and uncertainties. The Company's future financial results could differ materially from those anticipated due to the Company's dependence on conditions in the airline industry, the level of new commercial aircraft orders, the production rate for the Space Shuttle program, the level of defense spending, competitive pricing pressures, technology and product development risks and uncertainties, and other factors beyond the Company's control.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) The following exhibits are filed with this report:

27 Financial Data Schedule

(b) No reports on Form 8-K were filed during the quarter for which this report is filed.

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.

DUCOMMUN INCORPORATED
(Registrant)

By: /s/ James S. Heiser

James S. Heiser
Vice President, Chief Financial Officer
and General Counsel
(Duly Authorized Officer of the Registrant)

By: /s/ Samuel D. Williams

Samuel D. Williams
Vice President and Controller
(Chief Accounting Officer of the Registrant)

Date: October 22, 1996

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