

OVERVIEW

Country United Kingdom
 Industry Defense
 Ticker ALV.L
 Sedol 917360
 Employees 503
 Market Capitalization 74
 Chairman John Robertshaw

Company designs, manufactures and sells electro-optical equipment, tracked fighting vehicles, transmission simulators, and other equipment and components for the defence and aerospace industries. 3/92: name change from United Scientific to Alvis. 2/94: acq. Unipower. 5/95: Disposed of interest in Invertron. Fiscal year ends in September.

Share Price

Jan 29, 1997 132.5
 Dividend Yield 2.3%
 52-Week Range 103.0 to 172.0
 Beta 0.25

Sales Breakdown

Engineering 97.2%
 Simulation 2.8%

Foreign Sales

United Kingdom 31.3%
 North America 0.9%
 South America 0.1%
 Rest of Europe 2.1%
 Asia 46.6%
 Africa 19.0%

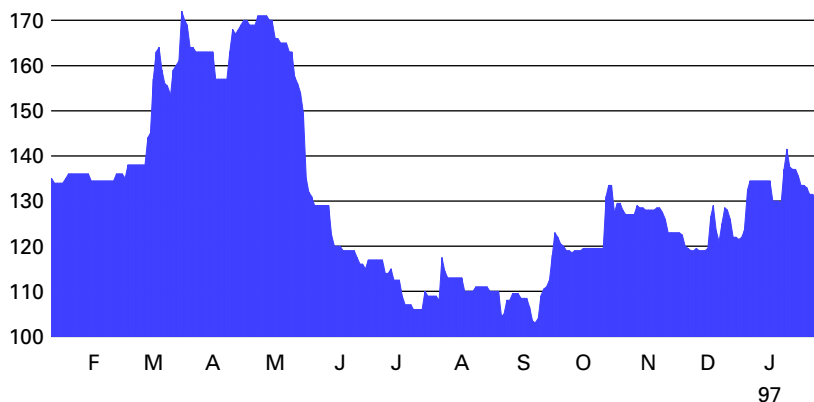
Shareholders

Shroder Investment Mgmt 15.58%
 Mercury Asset Mgmt 11.87%
 Equitable Life 6.61%
 Scottish Equitable Plc 3.49%

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STOCK PERFORMANCE



Currency, Scale & Timing

All share prices and currency are in British Pounds. Accounting values are in millions of British Pounds. Share statistics are current as of 1/29/97.

INCOME

	93	94	95	96
Sales	97.0	80.0	101	90.0
EBDIT	12.5	10.2	10.2	9.10
Interest Expense	2.90	1.90	0.50	0.30
Profit Before Taxes	5.10	5.80	8.70	8.90
Net Income (after tax)	3.40	3.40	7.60	7.80

BALANCE SHEET

	93	94	95	96
Cash & Receivables	65.2	38.5	64.3	49.5
Intangible Assets	0.20	0.10	0	0
Borrowings	17.1	1.00	6.90	0.60
Borrowings & Payables	41.0	19.9	32.2	19.7
Shareholders Equity	57.1	48.7	57.5	63.3
Total Capital	82.5	63.8	66.9	72.0

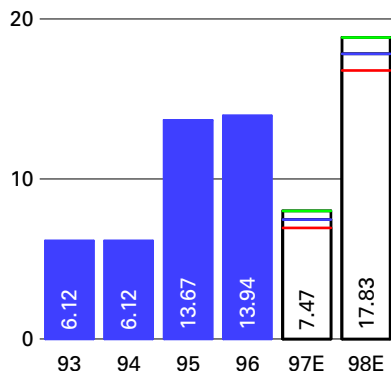
PER SHARE STATISTICS

	93	94	95	96
Earnings Per Share	6.12	6.12	13.67	13.94
Dividends Per Share	1.00	1.00	2.00	3.00
Cash Flow Per Share	15.65	15.65	17.63	17.16

KEY RATIOS

	93	94	95	96
Return on Equity %	5.95	6.98	13.22	12.32
Profit Margin %	3.9	5.5	7.6	8.7
Historical Year-End P/Es	6.9x	3.0x	9.2x	11.7x
Dividend Yield %	2.90	6.10	2.50	3.30
Dividend Coverage %	612.0	612.0	683.5	464.7
LT Debt/Total Capital %	1.9	13.2	0.9	0.4
Quick Ratio	1.59	1.93	2.00	2.51
Current Ratio	1.89	2.41	1.86	3.06

EPS HISTORY & ESTIMATES



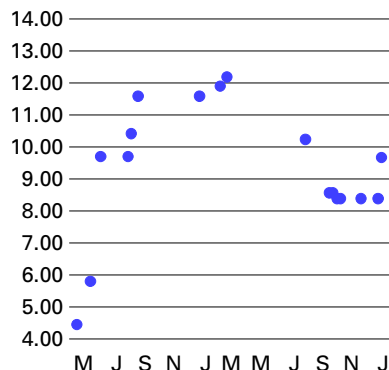
Consensus	97E	98E
# of Estimates	2	2
EPS Highest	8.00	18.85
EPS Mean	7.47	17.83
EPS Lowest	6.94	16.80
Price / Earnings	17.7 x	7.4x

Analysts do not expect EPS to come in below the "EPS Lowest" values of 6.94 for year 97E and 16.80 for year 98E, and analysts would be surprised if earnings were reported to be higher than the values for "EPS Highest."

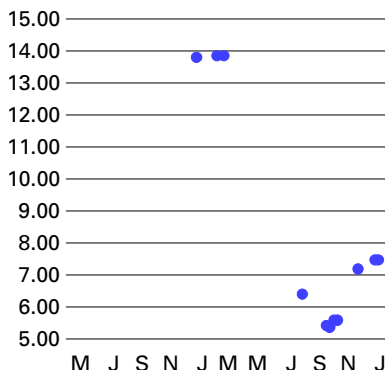
The market's consensus expectations for '97 and '98 are reflected in the EPS mean of 7.47 for 1997 and 17.83 for 1998.

Analysts often change their estimates as time passes. The direction and timing of their changes is reflected in the Revision History charts.

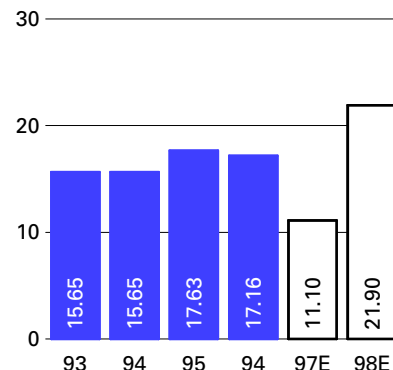
EPS REVISION HISTORY FOR 1997



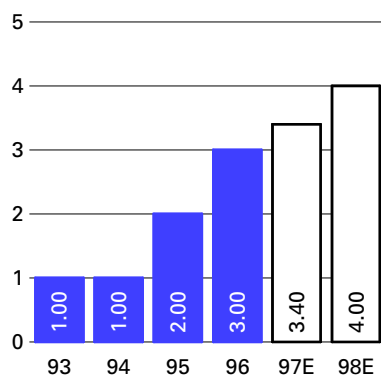
EPS REVISION HISTORY FOR 1998



CASH FLOW PER SHARE



DIVIDENDS PER SHARE



RELATIVE P/E

ALVIS	This Year	11.7x
	Next Year	17.7x
	Year After	7.4x
Defense Industry	This Year	16.3x
	Next Year	16.3x
	Year After	14.0x
UNITED KINGDOM	This Year	15.0x
	Next Year	14.4x
	Year After	13.2x

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