

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 10-Q

(Mark one)

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended April 30, 1998 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 0-6050

POWELL INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

NEVADA

88-0106100

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

8550 Mosley Drive, Houston, Texas

77075-1180

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (713) 944-6900

Indicate by "X" 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
--- ---

Common Stock, par value \$.01 per share; 10,645,484 shares outstanding on April 30, 1998.

PART I - Financial Information

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Powell Industries, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(In Thousands, Except Share and Per Share Data)

| ASSETS | April 30, 1998 ----- (unaudited) | October 31, 1997 ----- |
|--|---|------------------------------|
| Current Assets: | | |
| Cash and cash equivalents..... | \$ 1,936 | \$ 2,219 |
| Accounts receivable, less allowance for doubtful accounts of \$503 and \$465, respectively..... | 39,346 | 50,391 |
| Costs and estimated earnings in excess of billings..... | 17,131 | 18,986 |
| Inventories..... | 22,652 | 13,603 |
| Deferred income taxes..... | 379 | 825 |
| Income taxes receivable..... | 659 | 1,351 |
| Prepaid expenses and other current assets..... | 2,327 | 2,594 |
| | ----- | ----- |
| Total Current Assets..... | 84,430 | 89,969 |
| Property, plant and equipment, net..... | 30,043 | 26,374 |
| Deferred income taxes..... | 1,339 | 1,578 |
| Other assets..... | 4,929 | 4,946 |
| | ----- | ----- |
| Total Assets..... | \$ 120,741 ===== | \$ 122,867 ===== |
| | | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Accounts and income taxes payable..... | \$ 12,735 | \$ 11,929 |
| Accrued salaries, bonuses and commissions..... | 4,411 | 6,737 |
| Accrued product warranty..... | 1,521 | 1,511 |
| Accrued legal expenses..... | 2,750 | 3,785 |
| Other accrued expenses..... | 3,708 | 3,282 |
| Billings in excess of costs and estimated earnings | 4,238 | 10,956 |
| | ----- | ----- |
| Total Current Liabilities..... | 29,363 | 38,200 |
| Long-term obligations..... | 7,000 | 6,000 |
| Deferred compensation expense..... | 1,125 | 1,128 |
| Postretirement benefits liability..... | 1,052 | 1,232 |
| Commitments and contingencies | | |
| Stockholders' Equity: | | |
| Preferred stock, par value \$.01; 5,000,000 shares authorized; none issued | | |
| Common stock, par value \$.01; 30,000,000 shares authorized; 10,645,979 and 10,642,779, shares issued and outstanding | 106 | 106 |
| Additional paid-in capital..... | 5,845 | 5,782 |
| Retained earnings..... | 79,283 | 73,572 |
| Deferred compensation-ESOP..... | (3,033) | (3,153) |
| | ----- | ----- |
| Total Stockholders' Equity..... | 82,201 | 76,307 |
| | ----- | ----- |
| Total Liabilities and Stockholders' Equity..... | \$ 120,741 ===== | \$ 122,867 ===== |

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

Powell Industries, Inc. and Subsidiaries
 Condensed Consolidated Statements of Operations (unaudited)
 (In Thousands, Except Per Share Data)

| | Three Months Ended April 30, | |
|---|------------------------------|------------|
| | 1998 | 1997 |
| Revenues..... | \$ 53,989 | \$ 48,439 |
| Cost of goods sold..... | 41,708 | 35,897 |
| Gross profit..... | 12,281 | 12,542 |
| Selling, general and administrative expenses..... | 7,335 | 7,535 |
| Earnings from operations before interest and income taxes..... | 4,946 | 5,007 |
| Interest expense (income), net..... | 30 | (98) |
| Earnings from operations before income taxes..... | 4,916 | 5,105 |
| Income tax provision..... | 1,602 | 1,832 |
| Net earnings..... | 3,314 | 3,273 |
| Net earnings per common share: | | |
| Basic..... | \$ 0.31 | \$0.31 |
| Diluted..... | 0.31 | 0.30 |
| Weighted average number of common shares outstanding..... | 10,642,613 | 10,611,937 |
| Weighted average number of common and common equivalent shares outstanding..... | 10,743,872 | 10,750,823 |

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

Powell Industries, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations (unaudited)
(In Thousands, Except Per Share and Per Share Data)

| | Six Months Ended April 30, | |
|---|----------------------------|------------|
| | 1998 | 1997 |
| Revenues..... | \$ 100,339 | \$ 91,566 |
| Cost of goods sold..... | 77,427 | 68,737 |
| Gross profit..... | 22,912 | 22,829 |
| Selling, general and administrative expenses..... | 14,463 | 14,421 |
| Earnings from operations before interest and income taxes..... | 8,449 | 8,408 |
| Interest expense (income), net..... | 53 | (235) |
| Earnings from operations before income taxes..... | 8,396 | 8,643 |
| Income tax provision..... | 2,684 | 3,001 |
| Net earnings..... | 5,712 | 5,642 |
| Net earnings per common share: | | |
| Basic..... | \$ 0.54 | \$ 0.53 |
| Diluted..... | 0.53 | 0.53 |
| Weighted average number of common shares outstanding..... | 10,641,806 | 10,608,864 |
| Weighted average number of common and common equivalent shares outstanding..... | 10,753,379 | 10,741,457 |

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

Powell Industries, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (unaudited)
(In Thousands)

| | Six Months Ended April 30, | |
|---|----------------------------|-----------|
| | 1998 | 1997 |
| Operating Activities: | | |
| Net earnings..... | \$ 5,712 | \$ 5,642 |
| Adjustments to reconcile net earnings to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization..... | 1,977 | 1,754 |
| Deferred income tax provision..... | 446 | 118 |
| Postretirement benefits liability..... | (180) | (91) |
| Changes in operating assets and liabilities: | | |
| Accounts receivable..... | 11,045 | (1,791) |
| Costs and estimated earnings in excess of billings..... | 1,855 | (2,498) |
| Inventories..... | (9,049) | 946 |
| Prepaid expenses and other current assets..... | 267 | (692) |
| Other assets..... | 119 | 58 |
| Accounts payable and income taxes payable or receivable..... | 1,498 | 7,305 |
| Accrued liabilities..... | (2,925) | (501) |
| Billings in excess of costs and estimated earnings..... | (6,718) | (579) |
| Deferred compensation expense..... | 117 | (803) |
| Net cash provided by operating activities..... | 4,164 | 8,868 |
| Investing Activities: | | |
| Purchases of property, plant, and equipment..... | (5,510) | (6,003) |
| Net cash used in investing activities..... | (5,510) | (6,003) |
| Financing Activities: | | |
| Net borrowings of long-term debt obligations..... | 1,000 | --- |
| Exercise of stock options..... | 63 | 46 |
| Net cash provided by financing activities..... | 1,063 | 46 |
| Net increase (decrease) in cash and cash equivalents..... | (283) | 2,911 |
| Cash and cash equivalents at beginning of period..... | 2,219 | 8,935 |
| Cash and cash equivalents at end of period..... | \$ 1,936 | \$ 11,846 |
| | ===== | ===== |
| Supplemental disclosure of cash flow information (in thousands): | | |
| Cash paid during the quarter for: | | |
| Interest..... | \$ 171 | \$ 195 |
| Income taxes..... | \$ 0 | \$ 950 |
| | ===== | ===== |

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

Part I

Item 1

POWELL INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

A. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, in the opinion of management, reflect all adjustments which are of a normal recurring nature necessary for a fair presentation of financial position, results of operations and cash flows. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's October 31, 1997 annual report on Form 10K.

B. INVENTORY

| | April 30, 1998 | October 31, 1997 |
|--|-------------------|---------------------|
| | ----- | ----- |
| | (unaudited) | |
| The components of inventory are summarized below (in thousands): | | |
| Raw materials, parts and subassemblies..... | \$ 11,556 | \$ 8,706 |
| Work-in-process..... | 11,096 | 4,897 |
| | ----- | ----- |
| Total inventories..... | \$ 22,652 | \$ 13,603 |
| | ===== | ===== |

C. PROPERTY, PLANT AND EQUIPMENT

| | April 30, 1998 | October 31, 1997 |
|---|-------------------|---------------------|
| | ----- | ----- |
| | (unaudited) | |
| Property, plant and equipment is summarized below (in thousands): | | |
| Land..... | \$ 3,078 | \$ 2,720 |
| Buildings and improvements..... | 27,270 | 20,662 |
| Machinery and equipment..... | 26,241 | 24,912 |
| Furniture & fixtures..... | 3,250 | 3,121 |
| Construction in progress..... | 1,682 | 4,596 |
| | ----- | ----- |
| | 61,521 | 56,011 |
| Less-accumulated depreciation..... | (31,478) | (29,637) |
| | ----- | ----- |
| Total property, plant and equipment, net..... | \$ 30,043 | \$ 26,374 |
| | ===== | ===== |

Item 1

D. PRODUCTION CONTRACTS

For contracts in which the percentage-of-completion method is used, costs and estimated earnings in excess of billings are reported as a current asset and billings in excess of costs and estimated earnings are reported as a current liability.

| | April 30, 1998 ----- (unaudited) | October 31, 1997 ----- |
|---|---|------------------------------|
| Costs and estimated earnings..... | \$ 48,208 | \$ 85,126 |
| Progress billings..... | (31,077) | (66,140) |
| Total costs and estimated earnings in excess of billings..... | \$ 17,131 ===== | \$ 18,986 ===== |
| Progress billings..... | \$ 84,510 | \$ 69,213 |
| Costs and estimated earnings..... | (80,272) | (58,257) |
| Total billings in excess of costs and estimated earnings..... | \$ 4,238 ===== | \$ 10,956 ===== |

E. EARNINGS PER SHARE

In 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 128, "Earnings per Share." Statement No. 128 replaced the previously reported primary and fully diluted earnings per share with basic and diluted earnings per share. Unlike primary earnings per share, basic earnings per share excludes any dilutive effects of options. Diluted earnings per share is very similar to the previously reported primary earnings per share. Earnings per share amounts for each period have been presented and restated to conform to the Statement 128 requirements.

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except share and per share date):

| | Three months ended April 30, ===== | | Six months ended April 30, ===== | |
|--|---------------------------------------|------------|-------------------------------------|------------|
| | 1998 | 1997 | 1998 | 1997 |
| | ----- (unaudited) | | ----- (unaudited) | |
| Numerator: | | | | |
| Numerator for basic and diluted earnings per share- income available to common shareholders | \$ 3,314 | \$ 3,273 | \$ 5,712 | \$ 5,642 |
| | ===== | ===== | ===== | ===== |
| Denominator: | | | | |
| Denominator for basic earnings per share- weighted-average shares | 10,642,613 | 10,611,937 | 10,641,806 | 10,608,864 |
| Effect of dilutive securities- Employee incentive stock options | 101,259 | 138,886 | 111,573 | 132,593 |
| | ----- | ----- | ----- | ----- |
| Denominator for diluted earnings per share-adjusted weighted-average shares assumed conversions | 10,743,872 | 10,750,823 | 10,753,379 | 10,741,457 |
| | ===== | ===== | ===== | ===== |
| Basic earnings per share | \$ 0.31 | \$ 0.31 | \$ 0.54 | \$ 0.53 |
| | ===== | ===== | ===== | ===== |
| Diluted earnings per share | \$ 0.31 | \$ 0.30 | \$ 0.53 | \$ 0.53 |
| | ===== | ===== | ===== | ===== |

Item 1

F. COMMITMENTS AND CONTINGENCIES

On August 5, 1993, the Company was served with a lawsuit by National Westminster Bank plc ("NatWest") alleging the Company had defaulted on a Construction Guaranty provided to NatWest in 1992 in connection with a project at MacDill Air Force Base. NatWest is seeking damages in excess of \$20,000,000. The Company has denied the substantive allegations of the complaint and has filed counterclaims for damages against NatWest alleging fraud, bad faith and failure to preserve and protect its collateral and seeking a declaratory judgment that the Company is not in default of the Construction Guaranty.

On February 4, 1998, the United States District Court, Southern District of New York, issued a memorandum and order denying the Company's motion for summary judgment, and granting NatWest's motion for partial summary judgment, with respect to certain defenses and one counterclaim of the Company. The Court dismissed several of the Company's alleged defenses, in particular, (1) its defense that the Company was fraudulently induced by NatWest into executing the Construction Guaranty, (2) its defense that the contract between NatWest's borrower, Empire Energy Management Systems, Inc., and the United States Air Force was terminated for the convenience of the government, and (3) its defense of secondary liability. The Court has set a trial date of September 14, 1998.

The ultimate disposition of the NatWest litigation is not presently determinable. However, an unfavorable outcome to the NatWest litigation could have a material effect on the Company's financial position and results of operations.

Item 2

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

RESULTS OF OPERATIONS

The following table sets forth, as a percentage of revenues, certain items from the Consolidated Statements of Operations.

| | April 30, 1998 | | April 30, 1997 | |
|--|--------------------|------------------|--------------------|------------------|
| | three months ended | six months ended | three months ended | six months ended |
| Revenues | 100.0% | 100.0% | 100.0% | 100.0% |
| Gross Profit | 22.7 | 22.8 | 25.9 | 24.9 |
| Selling, general and administrative expenses | 13.6 | 14.4 | 15.6 | 15.7 |
| Earnings from operations before income taxes | 9.1 | 8.4 | 10.5 | 9.4 |
| Net earnings | 6.1 | 5.7 | 6.6 | 6.2 |

Revenues for the quarter ended April 30, 1998 were up 11 percent to \$53,989,000 from \$48,439,000 in the second quarter of last year. Revenues for the six months ended April 30, 1998 were up 9.6 percent to \$100,339,000 from \$91,566,000 in the first six months of last year. The increases in revenues were mainly in the domestic markets. The Asian monetary problems contributed to lower revenues at two of Powell's subsidiaries.

Export revenues continued to be an important component of the Company's operations accounting for \$39,240,000 for the six months ending April 30, 1998 compared to \$37,453,000 for the same period of 1997.

Gross profit, as a percentage of revenues, was 22.7 percent and 25.9 percent for the quarters ended April 30, 1998 and 1997. The gross profit percentage for the six months ended April 30, 1998 and 1997 was 22.8 percent and 24.9 percent, respectively. The lower percentages in 1998 were mainly due to changes in product mix shipped during 1998.

Selling, general and administrative expenses as a percentage of revenues were 13.6 percent and 15.6 percent for the quarters ended April 30, 1998 and 1997. These percentages for the six months ended April 30, 1998 and 1997 were 14.4 percent and 15.7 percent. The decrease in percentages reflects a constant level of expenses on higher volume of revenues.

Income tax provision The effective tax rate was 32.6 percent and 35.9 percent for the quarters ended April 30, 1998 and 1997, respectively. For the six months ended April 30, 1998 and 1997 the effective tax rate was 32.0 percent and 34.7 percent respectively. The decrease was primarily due to lower projected tax rates for 1998 due to the higher estimated foreign sales corporation credits.

Earnings from continuing operations were \$3,314,000 or \$.31 per share for the second quarter of fiscal 1998, a small increase from \$3,273,000 or \$.30 per share for the same period last year. For the six months ended April 30, 1998, net earnings were \$5,712,000 or \$.53 per share, compared with \$5,642,000 or \$.53 per share for the first six months of fiscal 1997. The per share data has been calculated on a fully diluted basis per FASB 128 for all periods reported.

Backlog

The order backlog at April 30, 1998 was \$158.9 million compared to \$137.3 million at October 31, 1997.

LIQUIDITY AND CAPITAL RESOURCES

In August 1997, the Company entered into a \$20,000,000 revolving line of credit agreement with a major domestic bank. The Company had borrowings outstanding of \$7,000,000 under this line on April 30, 1998.

The Company's ability to satisfy its cash requirements is evaluated by analyzing key measures of liquidity applicable to the Company. The following table is a summary of the measures which are significant to management:

| | April 30, 1998 ----- | October 31, 1997 ----- | April 30, 1997 ----- |
|------------------------|----------------------------|------------------------------|----------------------------|
| Working Capital | \$55,067,000 | \$51,769,000 | \$46,956,000 |
| Current Ratio | 2.88 to 1 | 2.36 to 1 | 2.30 to 1 |
| Debt to Capitalization | .1 to 1 | .1 to 1 | .1 to 1 |

Management believes that the Company continues to maintain a strong liquidity position. The increase in working capital at April 30, 1998, as compared to October 31, 1997 is due mainly to a decrease in current assets (primarily accounts receivable) offset by a decrease in current liabilities (primarily billings in excess of cost and estimated earnings).

Cash and cash equivalents decreased by \$283,000 during the six months ended April 30, 1998. The primary use of cash during this period was for capital expenditures mainly related to the continuing expansion of Powell Electrical Manufacturing Company facilities and due to decreased current liabilities.

The Company's fiscal 1998 asset management program will continue to focus on the collection of receivables and reduction in inventories. The Company plans to satisfy its fiscal 1998 capital requirements and operating needs primarily with funds available in cash and cash equivalents of \$1,936,000, funds generated from operating activities and funds available under its existing revolving credit line.

The previous discussion should be read in conjunction with the consolidated financial statements.

Any forward looking statements in the preceding paragraphs of this Form 10Q are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward looking statements involve risks and uncertainty in that actual results may differ materially from those projected in the forward looking statements. These risks and uncertainties include, without limitation, difficulties which could arise in obtaining materials or components in sufficient quantities as needed for the Company's manufacturing and assembly operations, unforeseen political or economic problems in countries to which the Company exports its products in relation to the Company's principal competitors, any significant decrease in the Company's backlog of orders, any material employee relations problems, or any material litigation or claims made against the Company, as well as general market conditions, competition and pricing.

OTHER INFORMATION

ITEM 1. Legal Proceedings

On August 5, 1993, the Company was served with a lawsuit by National Westminster Bank plc ("NatWest") alleging the Company had defaulted on a Construction Guaranty provided to NatWest in 1992 in connection with a project at MacDill Air Force Base. NatWest is seeking damages in excess of \$20,000,000. The Company has denied the substantive allegations of the complaint and has filed counterclaims for damages against NatWest alleging fraud, bad faith and failure to preserve and protect its collateral and seeking a declaratory judgment that the Company is not in default of the Construction Guaranty.

On February 4, 1998, the United States District Court, Southern District of New York, issued a memorandum and order denying the Company's motion for summary judgment, and granting NatWest's motion for partial summary judgment, with respect to certain defenses and one counterclaim of the Company. The Court dismissed several of the Company's alleged defenses, in particular, (1) its defense that the Company was fraudulently induced by NatWest into executing the Construction Guaranty, (2) its defense that the contract between NatWest's borrower, Empire Energy Management Systems, Inc., and the United States Air Force was terminated for the convenience of the government, and (3) its defense of secondary liability. The Court has set a trial date of September 14, 1998.

The ultimate disposition of the NatWest litigation is not presently determinable. However, an unfavorable outcome to the NatWest litigation could have a material effect on the Company's financial position and results of operations.

ITEM 2. Changes in Securities

None

ITEM 3. Defaults Upon Senior Securities

Not applicable

ITEM 4. Submission of Matters to a Vote of Security Holders

At the annual meeting of the shareholders of the Company held on March 13, 1998, Thomas W. Powell, Lawrence R. Tanner, and Joseph L. Becherer were elected as directors of the Company with terms ending in 2001. As to each nominee for director, the number of votes cast for or withheld, as well as the number of abstentions and broker non-votes, were as follows:

| Nominee | Votes Cast For | Votes Withheld | Abstentions | Non-Votes |
|--------------------|----------------|----------------|-------------|-----------|
| ----- | ----- | ----- | ----- | ----- |
| Thomas W. Powell | 9,792,962 | 195,947 | --- | 655,296 |
| Lawrence R. Tanner | 9,802,728 | 186,181 | --- | 655,296 |
| Joseph L. Becherer | 9,802,728 | 186,181 | --- | 655,296 |

At the annual meeting, the shareholders also approved and ratified the actions of the directors and officers of the Company during fiscal 1997 as the acts of the Company. The number of votes cast for, against, or withheld, as well as the number of abstentions and broker non-votes, with respect to such matter was as follows:

| Votes Cast For | Votes Cast Against | Abstentions | Non-Votes |
|----------------|--------------------|-------------|-----------|
| ----- | ----- | ----- | ----- |
| 9,988,909 | --- | --- | 655,296 |

ITEM 5. Other Information

None

ITEM 6. Exhibits and Reports on Form 8-K

a. Exhibits

3.1 - Articles of Incorporation and Certificates of Amendment of Powell Industries, Inc. dated July 20, 1987 and March 13, 1992 (filed as Exhibit 3 to the Company's Form 10-K for the fiscal year ended October 31, 1982, Form 10-Q for quarter ended July 31, 1987, and Form 10-Q for quarter ended April 30, 1992, respectively, and incorporated herein by reference).

3.2 - By-laws of Powell Industries, Inc. (filed as Exhibit 3(ii) to the Company's Form 10-Q for the quarter ended April 30, 1995 and incorporated herein by reference).

10.1 - Powell Industries, Inc., Incentive Compensation Plan for 1997 (filed as Exhibit 10.1 to the Company's Form 10-K for the fiscal year ended October 31, 1997 and incorporated herein by reference).

10.2 - Salary Continuation Agreement with William E. Powell, dated July 17, 1984 (filed as Exhibit 10 to the Company's Form 10-K for the fiscal year ended October 31, 1984, and incorporated herein by reference).

10.3 - Description of Supplemental Executive Benefit Plan (filed as Exhibit 10 to the Company's Form 10-K for the fiscal year ended October 31, 1984, and incorporated herein by reference).

10.5 - Credit Agreement dated August 15, 1997 between Powell Industries, Inc. and Bank of America, Texas, N.A. (filed as an Exhibit to the Company's Form 10-Q for the quarter ended July 31, 1997 and incorporated herein by reference).

10.7 - 1992 Powell Industries, Inc. Stock Option Plan (filed as Exhibit 4.2 to the Company's registration statement on Form S-8 dated July 26, 1994 (File No. 33-81998) and incorporated herein by reference).

10.8 - The Powell Industries, Inc. Directors' Fees Program (filed as Exhibit 10.7 to the Company's Form 10-K for the fiscal year ended October 31, 1992, and incorporated herein by reference).

10.9 - The Powell Industries, Inc. Executive Severance Protection Plan (filed as exhibit 10.7 to the Company's Form 10-Q for the quarter ended April 30, 1996, and incorporated herein by reference).

10.10 - Amendment to Powell Industries, Inc. Stock Option Plan (filed as exhibit 10.8 to the Company's Form 10-Q for the quarter ended April 30, 1996 and incorporated herein by reference).

27.0 Financial Data Schedule

b. Reports on Form 8K

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.

POWELL INDUSTRIES, INC.
Registrant

June 10, 1998

Date

Thomas W. Powell
President and Chief Executive Officer
(Principal Executive Officer)

June 10, 1998

Date

J.F. Ahart
Vice President,
Secretary-Treasurer
Chief Financial Officer
(Principal Financial and Accounting Officer)

INDEX TO EXHIBITS

| Exhibit Number ----- | Description ----- |
|----------------------------|---|
| 3.1 | -- Articles of Incorporation and Certificates of Amendment of Powell Industries, Inc. dated July 20, 1987 and March 13, 1992 (filed as Exhibit 3 to the Company's Form 10-K for the fiscal year ended October 31, 1982, Form 10-Q for quarter ended July 31, 1987, and Form 10-Q for quarter ended April 30, 1992, respectively, and incorporated herein by reference). |
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| 10.10 | -- Amendment to Powell Industries, Inc. Stock Option Plan (filed as exhibit 10.8 to the Company's Form 10-Q for the quarter ended April 30, 1996 and incorporated herein by reference). |
| 27.0 | -- Financial Data Schedule |

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE COMPANY'S UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED APRIL 30, 1998 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

| | | |
|---------|-------------|--------|
| 3-MOS | | |
| | OCT-31-1998 | |
| | APR-30-1998 | |
| | | 1,936 |
| | | 0 |
| | 39,849 | |
| | 503 | |
| | 22,652 | |
| | 84,430 | 61,521 |
| | 31,478 | |
| | 120,741 | |
| 29,363 | | 7,000 |
| 107 | | 0 |
| | | 0 |
| | 82,094 | |
| 120,741 | | 53,989 |
| | 53,989 | 41,708 |
| | 41,708 | |
| | 7,335 | |
| | 0 | |
| | 30 | |
| | 4,916 | |
| | 1,602 | |
| 3,314 | | 0 |
| | 0 | |
| | | 0 |
| | 3,314 | |
| | 0.31 | |
| | 0.31 | |