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

FORM 10-Q

[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

Commission file number: 1-8443

TELOS CORPORATION
(Exact name of Registrant as specified in its charter)

Maryland	52-0880974
(State of Incorporation)	(I.R.S. Employer Identification No.)
19886 Ashburn Road, Ashburn, Virginia	20147-2358
(Address of principal executive offices)	(Zip Code)

Registrant's Telephone Number,
including area code: (703) 724-3800

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 ____

As of November 13, 1997 the Registrant had 23,076,753 shares of Class A Common Stock, no par value, and 4,037,628 shares of Class B Common Stock, no par value; and 3,595,586 shares of 12% Cumulative Exchangeable Redeemable Preferred Stock, par value $.01 per share, outstanding.

No public market exists for the Registrant's Common Stock.

Number of pages in this report (excluding exhibits): 15

TELOS CORPORATION AND SUBSIDIARIES

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PART I - FINANCIAL INFORMATION
TELOS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(amounts in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1997	1996	1997	1996
Sales				
Systems and Support Services	$33,425	$27,150	$92,725	$79,605
Systems Integration	34,576	21,789	87,710	53,363
	68,001	48,939	180,435	132,968
Costs and expenses				
Cost of sales	59,406	42,657	154,565	116,912
Selling, general and administrative expenses	6,422	7,466	19,816	20,287
Goodwill amortization	210	275	644	825
Operating income (loss)	1,963	(1,459)	5,410	(5,056)
Other income (expenses)				
Other income (expenses)	22	3	45	(346)
Interest expense	(1,908)	(1,393)	(5,551)	(3,929)
Income (loss) before taxes	77	(2,849)	(96)	(9,331)
Income tax benefit	--	421	--	421
Income (loss) from continuing operations	77	(2,428)	(96)	(8,910)
Discontinued operations:				
Income from discontinued operations	--	494	--	624
Net income (loss)	$ 77	$(1,934)	$ (96)	$(8,286)

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

TELOS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(amounts in thousands)

ASSETS

	September 30, 1997	December 31, 1996
Current assets		
Cash and cash equivalents (includes restricted cash of $231 at December 31, 1996)	$ 424	$ 2,781
Accounts receivable, net	56,818	51,549
Inventories, net	14,497	17,066
Other current assets	3,521	2,567
Total current assets	75,260	73,963
Property and equipment, net of accumulated depreciation of $22,324 and $20,390 respectively	16,504	16,486
Goodwill	12,901	13,545
Other assets	7,082	6,070
	$111,747	$110,064

LIABILITIES AND STOCKHOLDERS' INVESTMENT

	September 30, 1997	December 31, 1996
Current liabilities		
Accounts payable	$ 21,958	$35,730
Other current liabilities	7,494	11,708
Accrued compensation and benefits	10,389	10,163
Total current liabilities	39,841	57,601
Senior credit facility	36,030	15,418
Subordinated notes	16,893	17,439
Capital lease obligation	12,163	12,537
Other long-term liabilities	--	154
Total liabilities	104,927	103,149
Redeemable preferred stocks		
Senior redeemable preferred stock	5,100	4,828
Class B redeemable preferred stock	11,767	11,087
Redeemable preferred stock	27,431	24,230
Total preferred stock	44,298	40,145
Stockholders' investment		
Common stock	78	78
Capital in excess of par	--	4,048
Retained earnings (deficit)	(37,556)	(37,356)
Total stockholders' investment	(37,478)	(33,230)
	$111,747	$110,064

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

TELOS CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(amounts in thousands)

	Nine Months Ended September 30, 1997	Nine Months Ended September 30, 1996
Operating activities:		
Net (loss) income	$ (96)	$(8,286)
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	2,988	2,226
Goodwill amortization	644	1,170
Other noncash items	1,604	1,833
Changes in assets and liabilities that used cash	(23,287)	(2,314)
Cash (used in) operating activities	(18,147)	(5,371)
Investing activities:		
Investment in products	(1,989)	(1,079)
Purchase of property and equipment	(1,877)	(2,196)
Cash (used in) investing activities	(3,866)	(3,275)
Financing activities:		
Proceeds from senior credit facility	20,612	4,817
Proceeds from issuance of enterWorks subordinated notes	--	3,078
Proceeds from capital lease transaction	--	1,300
Payments under capital leases	(281)	--
Repayment of senior subordinated notes	(675)	--
Cash provided by financing activities	19,656	9,195
(Decrease) increase in cash and cash equivalents	(2,357)	549
Cash and cash equivalents at beginning of period	2,781	735
Cash and cash equivalents at end of period	$ 424	$1,284

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

TELOS CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. General

The accompanying condensed consolidated financial statements of Telos Corporation ("Telos") and its wholly owned subsidiaries, Telos Corporation (California), Telos Field Engineering, Inc., Telos International Corporation, and its majority owned subsidiary, enterWorks.com, inc. ("enterWorks") (collectively, the "Company") have been prepared without audit. Certain information and note disclosures normally included in the financial statements presented in accordance with generally accepted accounting principles have been condensed or omitted. The Company believes the disclosures made are adequate to make the information presented consistent with past practices. However, these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual report on Form 10-K for the fiscal year ended December 31, 1996.

In the opinion of the Company, the accompanying condensed consolidated financial statements reflect all adjustments and reclassifications (which include only normal recurring adjustments) necessary to present fairly the financial position of the Company as of September 30, 1997 and December 31, 1996, and the results of its operations and its cash flows for the nine months ended September 30, 1997 and 1996. Interim results are not necessarily indicative of fiscal year performance because of the impact of seasonal and short-term variations.

In December 1996, the Company sold substantially all of the assets of its consulting division, Telos Consulting Services (TCS), to COMSYS Technical Services, Inc., a subsidiary of COREStaff, Inc. for approximately $31.6 million. The sale of TCS was treated as a discontinued operation in accordance with APB Opinion Number 30. Accordingly, the results of operations for TCS included in the three and nine month periods ended September 30, 1996 have been reported separately as "income from discontinued operations".

Certain reclassifications have been made to the prior year's financial statements to conform to the classifications used in the current period.

Note 2. Accounts Receivable

The components of accounts receivable are as follows (in thousands):

	September 30, 1997	December 31, 1996
Billed accounts receivable	$44,810	$40,225
Unbilled accounts receivable	13,369	12,249
	58,179	52,474
Allowance for doubtful accounts	(1,361)	(925)
	$56,818	$51,549

Note 3. Debt Obligations

Senior Credit Facility

At September 30, 1997, the Company had a $45 million senior credit facility ("Facility") with a bank maturing on July 1, 2000. The Company was not compliant with certain covenants contained in the Facility at September 30, 1997 and the bank has waived such covenant noncompliance.

Note 4. Preferred Stock

Senior Redeemable Preferred Stock

The components of the senior redeemable preferred stock are Series A-1 and Series A-2 redeemable preferred stock each with $.01 par value and 1,250 and 1,750 shares authorized, issued and outstanding, respectively. From July 1, 1995 through June 30, 1997, the Series A-1 and A-2 each carry a cumulative dividend rate equal to 11.125% per annum of its liquidation value, and increases to 14.125% per annum thereafter. The dividends are payable semi-annually on June 30 and December 31 of each year. The liquidation preference of the preferred stock is the face amount, $1,000 per share, plus all accrued and unpaid dividends. The Series A-1 and A-2 Preferred Stock is senior to all other present and future equity of the Company. The Company is required to redeem all of the outstanding shares of the Series A-1 and A-2 on December 31, 2001, subject to the legal availability of funds. At September 30, 1997 and December 31, 1996 cumulative undeclared, unpaid dividends relating to Series A-1 and A-2 Preferred Stock were accrued for financial reporting purposes in the amount of $2,100,000 and $1,828,000, respectively.

Class B Redeemable Preferred Stock

The Class B Redeemable Preferred Stock has a $.01 par value, with 7,500 shares authorized, issued and outstanding. The Class B Redeemable Preferred Stock has a cumulative dividend payable semi-annually at June 30 and December 31. From July 1, 1995 through June 30, 1997, the dividend is calculated at a rate equal to 11.125% per annum of its liquidation value, and increases to 14.125% per annum thereafter. The Class B Redeemable Preferred Stock may be redeemed at its liquidation value together with all accrued and unpaid dividends at any time at the option of the Company. The liquidation preference of the preferred stock is the face amount, $1,000 per share, plus all accrued and unpaid dividends. The Company is required to redeem all of the outstanding shares of the stock on December 31, 2001, subject to the legal availability of funds. At September 30, 1997 and December 31, 1996 cumulative undeclared, unpaid dividends relating to the Class B Redeemable Preferred Stock were accrued for financial reporting purposes in the amount of $4,267,000 and $3,587,000 respectively.

12% Cumulative Exchangeable Redeemable Preferred Stock

A maximum of 6,000,000 shares of 12% Cumulative Exchangeable Redeemable Preferred Stock, par value $.01 per share, have been authorized for issuance. The Company has issued 3,595,586 shares of 12% Cumulative Exchangeable Redeemable Preferred Stock (the "Preferred Stock"). The Preferred Stock accrues a semi-annual dividend at the annual rate of 12% ($1.20) per share, based on the liquidation preference of $10 per share and is fully cumulative.

Through November 21, 1995, the Company had the option to pay dividends in additional shares of Preferred Stock in lieu of cash (provided there were no blocks on payment as further discussed below). Dividends are payable by the Company, provided the Company has legally available funds under Maryland law and is able to pay dividends under its charter and other corporate documents, when and if declared by the Board of Directors, commencing June 1, 1990, and on each six month anniversary thereof. Dividends in additional shares of the Preferred Stock were paid at the rate of 0.06 of a share for each $.60 of such dividends not paid in cash. No dividends have been declared or paid during fiscal years 1992 through 1996. Cumulative undeclared dividends as of September 30, 1997 accrued for financial reporting purposes totaled $12,578,000. Dividends for the years 1992 through 1994 and for the dividend payable June 1, 1995 were accrued under the assumption that the dividend will be paid in additional shares of preferred stock and are valued at $3,950,000. Had the Company accrued these dividends on a cash basis, the total amount accrued would have been $15,101,000. The dividends payable on December 1, 1995, June 1, 1996, December 1, 1996, and June 1, 1997 totaling $8,628,000 were accrued on a cash basis.

The Company has not declared or paid dividends since 1991, due to restrictions and ambiguities relating to the payment of dividends contained within its charter, its working capital facility agreement, and under Maryland law.

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

General

In the first nine months of 1997, the Company had increased revenue and profitability as compared to 1996. The increased revenue resulted from increased order volume in the Systems Integration Group, as well as revenue generated from contracts awarded in 1997 to the Systems and Support Services Group. The increase in profitability was also attributable to the cost reductions and branch consolidation measures implemented by the Company in the last half of 1996. The profitability was further enhanced by an improvement in the product mix on the Company's long term contracts and improved profit margins realized on new contracts.

Total backlog from existing contracts was $1.2 billion as of September 30, 1997 and is approximately the same as the total backlog as of December 31, 1996. As of September 30, 1997, the funded backlog of the Company totaled $126.2 million, an increase of $11.2 million from December 31, 1996. Funded backlog represents aggregate contract revenues remaining to be earned by the Company at a given time, but only to the extent, in the case of government contracts, funded by a procuring government agency and allocated to the contracts.

Results of Operations

The condensed consolidated statements of income include the results of operations of Telos Corporation and its wholly owned subsidiaries Telos Corporation (California), Telos Field Engineering Inc., Telos International Corporation, and its majority owned subsidiary enterWorks.com, inc. ("enterWorks") (collectively, "the Company"). The major elements of the Company's operating expenses as a percentage of sales for the three and nine month periods ended September 30, 1997 and 1996 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1997	1996	1997	1996
Sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	87.4	87.2	85.7	87.9
SG&A expenses	9.4	15.2	11.0	15.3
Goodwill amortization	0.3	0.6	0.3	0.6
Operating income (loss)	2.9	(3.0)	3.0	(3.8)
Other income (expense)	--	--	--	(0.2)
Interest expense	(2.8)	(2.8)	(3.1)	(3.0)
Income tax benefit	--	0.8	--	0.3
Income (loss) from continuing operations	0.1	(5.0)	(0.1)	(6.7)
Discontinued operations:				
Income from discontinued operations	--	1.0	--	0.5
Net income (loss)	0.1%	(4.0)%	(0.1)%	(6.2)%

Financial Data by Market Segment

The Company operates in two market segments; systems and support services (the "Systems and Support Services Group"), which consists of enterWorks and hardware and software support services; and the Systems Integration Group.

Sales, gross profit, and gross margin by market segment for the periods designated below are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1997	1996	1997	1996
	(amounts in thousands)			
Sales:				
Systems and Support Services	$33,425	$27,150	$ 92,725	$79,605
Systems Integration	34,576	21,789	87,710	53,363
Total	$68,001	$48,939	$180,435	$132,968
Gross Profit:				
Systems and Support Services	5,622	$3,920	$15,275	$10,930
Systems Integration	2,973	2,362	10,595	5,126
Total	$8,595	$6,282	$25,870	$16,056
Gross Margin:				
Systems and Support Services	16.8%	14.4%	16.5%	13.7%
Systems Integration	8.6%	10.8%	12.1%	9.6%
Total	12.6%	12.8%	14.3%	12.1%

For the three month period ended September 30, 1997, revenue increased by $19.1 million, or 38.9%, to $68.0 million from $48.9 million for the comparable 1996 period. The increase for the three month period includes a $12.8 million increase in Systems Integration revenue, and a $6.3 million increase in Systems and Support Services revenue.

The increase in Systems Integration revenue of $12.8 million results from orders under its Joint Recruiting Information Support System ("JRISS") Blanket Purchase Agreement as well as its U.S. Courts System Data Communication Network contract which were both awarded in 1997, as well as increased revenue in other business lines of the segment.

The Systems and Support Services Group revenue increase of $6.3 million is due to an increase in software support revenue of $6.5 million, offset by a decrease in hardware support revenue of $200,000. The enterWorks division revenue remained constant at $1.0 million from the third quarter 1997 compared to the third quarter 1996. The increase in software support is mostly attributable to the revenue recognized on its Immigration and Naturalization Service Blanket Purchase Agreement for Field Operation Support contract, as well as slight increases in sales on certain labor contracts. The decline in hardware support revenue is due to the loss of one of the division's contracts in June of 1997. The decrease is also attributable to the continued migration from mainframe to network based computing which generally provides lower maintenance revenue. Additionally, the hardware support area continues to experience a shift from fixed price contracts to time and material contracts which produce less predictable revenue streams.

Based on the Company's backlog position and increased order flow in the third quarter 1997, the fourth quarter should experience continued revenue growth. However, there can be no assurance that such revenue improvement will occur.

Revenue increased $47.5 million or 35.7% to $180.4 million for the nine months ended September 30, 1997 from $132.9 million for the comparable 1996 period. The increase for the nine month period includes a $34.3 million Systems Integration revenue increase, and a $13.2 million increase in Systems and Support Services revenue. The reasons for these revenue increases are discussed above.

Cost of sales increased by $16.7 million, or 39.3%, to $59.4 million in the three month period ended September 30, 1997, from $42.7 million in the comparable 1996 period. For the nine months ended September 30, 1997, cost of sales increased $37.6 million, or 32.2%, to $154.5 million from $116.9 million for the same period in 1996. These increases are the result of the increases in sales for both periods, as well as increases in certain operational reserves.

Gross profit increased $2.3 million in the three month period to $8.6 million, from $6.3 million in the comparable 1996 period. The increase includes a $1.7 million increase in Systems and Support Services gross profit and a $600,000 increase in Systems Integration gross profit. For the nine month period, gross profit increased by $9.8 million to $25.9 million from $16.1 million. This increase includes a $4.3 million increase in Systems and Support Services gross profit and a $5.5 million increase in Systems Integration gross profit. The reasons for the gross profit increases for the periods ending September 30, 1997 compared to September 30, 1996 related to the changes in revenues and cost of sales for the respective periods. In addition, the Systems Integration Group experienced shifts in product mix on its large contracts which improved profit margins. The Systems and Support Services Group improved its gross margin by maximizing its efforts on profitable contracts. The Group further enhanced its gross profit through cost reduction measures implemented in the fourth quarter of 1996. Gross margins were 12.6% and 14.3% for the three and nine month periods of 1997 as compared to 12.8% and 12.1% for the comparable periods of 1996.

Selling, general, and administrative expense ("SG&A") decreased for the three month period by approximately $1.0 million, to $6.4 million in 1997 from $7.4 million in 1996. For the nine month period, SG&A decreased from $20.3 million to $19.8 million, approximately $500,000. These decreases are attributable to a decline in bid and proposal and sales and marketing expense in both the Systems Integration Group and most of the Systems and Support Services Group. Additionally, the decreases are a result of the cost reduction and branch consolidation measures implemented by the Company in the fourth quarter of 1996. The Company continues to aggressively manage non-contract related and discretionary spending. This overall decrease in SG&A was offset by the Company's increased spending in the product development and sales and marketing efforts of its enterWorks subsidiary. For the nine months ended September 30, 1997, enterWorks sales, marketing and product development (prior to capitalization) expenses totaled $1.6 million, $1.1 million and $2.1 million, respectively. SG&A as a percentage of revenues decreased to 9.4% for the third quarter of 1997 from 15.2% in the comparable 1996 period. SG&A as a percentage of revenues for the nine month period ended September 30, 1997 decreased to 11.0% from 15.3% compared to the same period in 1996.

Goodwill amortization expense was $210,000 and $644,000 for the three and nine month periods ended September 30, 1997 compared to $275,000 and $825,000 for the three and nine month periods ended September 30, 1996. These reductions are due to adjustments to the goodwill balance from realization of acquired tax benefits resulting from the 1992 acquisition of Telos Corporation (California) and a writedown in the goodwill balance from the sale of TCS in 1996.

Operating income increased by $3.4 million to $1.9 million in the three month period from a loss of $1.5 million in the comparable 1996 period and increased $10.4 million to $5.4 million from a loss of $5.0 million for the nine month period. These increases resulted from the aforementioned increases in gross profit and decreases in SG&A.

Other non-operating income was approximately $22,000 in the three month period of 1997 compared to approximately $3,000 of other non-operating income in the comparable 1996 period. For the 1997 nine month period, non-operating income was $45,000 as compared to expense of $346,000 for the comparable 1996 period. The increase in income is due to the $355,000 of additional litigation settlement provision that the Company recorded as non-operating expense in the second quarter of 1996.

Interest expense increased approximately $515,000 to $1.9 million in the third quarter of 1997 from $1.4 million in the comparable 1996 period. Interest expense for the nine month period ended September 30, 1997 increased $1.6 million to $5.5 million from $3.9 million in the 1996 period. These increases are primarily due to increases in the average debt levels in 1997 as well as an increase in interest recorded for capital lease payments for leases entered into throughout 1996.

The Company did not have an income tax provision for the three month and nine month periods ended September 30, 1997, due to its cumulative net losses in the nine month 1997 period. The Company had an income tax benefit for the three month and nine month periods ended September 30, 1996 of $421,000. This benefit was a result of the Company filing amended Federal income tax returns for deductions previously disallowed by the Internal Revenue Service.

Liquidity and Capital Resources

For the nine months ended September 30, 1997, the Company used $18.1 million of cash in its operating activities primarily as a result of a significant reduction in trade accounts payable and other current liabilities. The use of cash was also a result of a significant investment by the Company in its enterWorks division. The Company funded its net loss and use of operating cash as well as its investing activities such as capital expenditures of $1.9 million and capitalized software costs in its enterWorks division of $2.0 million through increased borrowings under its term facility.

As a result of the Company's sale of its TCS division for $31.6 million in December 1996, the Company's short-term liquidity constraints have improved. However, the Company continues to aggressively manage its cash and reduce its discretionary spending. The Company also continues to evaluate its cost reduction programs and its investment in enterWorks.

At September 30, 1997, the Company had outstanding debt of $65.1 million, consisting of $36.0 million under the secured senior credit facility, $16.9 million in subordinated debt and $12.2 million in long-term capital lease obligations. In 1997, the Company's bank entered into an agreement with the Company to refinance its $45 million term facility and extend the maturity date to July 1, 2000. The terms and conditions of the new facility are similar to the previous senior credit facility except for amendments made to certain of the financial and non financial covenants. The Company was not compliant with certain covenants contained in the Facility at September 30, 1997 and the bank has waived such covenant noncompliance.

The Company is actively reviewing its financing requirements for enterWorks, and continues to fund on-going product development, sales and marketing, and business activities of the subsidiary. The Company will continue to evaluate various financing alternatives to maintain the enterWorks operations.

The Company continually evaluates its financing requirements to support its business base and anticipated growth. The Company anticipates that its current Facility will be adequate for 1997. However, should faster than anticipated growth occur, the Company believes that an expanded senior credit facility would be required through a multi-bank syndication arrangement.

PART II - OTHER INFORMATION

Item 3. Defaults Upon Senior Securities

Senior and Class B Redeemable Preferred Stocks

The Company has not declared dividends on its Senior Redeemable Preferred Stock, Series A-1 and A-2, and its Class B Redeemable Preferred Stock since their issuance. Total undeclared unpaid dividends accrued for financial reporting purposes are $2,100,000 for the Series A-1 and A-2 Preferred Stock and $4,267,000 for the Class B Preferred Stock at September 30, 1997.

12% Cumulative Exchangeable Redeemable Preferred Stock

Through November 21, 1995, the Company had the option to pay dividends in additional shares of Preferred Stock in lieu of cash (provided there were no blocks on payment as further discussed below). Dividends are payable by the Company, provided the Company has legally available funds under Maryland law and is able to pay dividends under its charter and other corporate documents, when and if declared by the Board of Directors, commencing June 1, 1990, and on each six month anniversary thereof. Dividends in additional shares of the Preferred Stock were paid at the rate of 0.06 of a share for each $.60 of such dividends not paid in cash. No dividends have been declared or paid during fiscal years 1992 through 1996. Cumulative undeclared dividends as of September 30, 1997 accrued for financial reporting purposes totaled $12,578,000. Dividends for the years 1992 through 1994 and for the dividend payable June 1, 1995 were accrued under the assumption that the dividend will be paid in additional shares of preferred stock and are valued at $3,950,000. Had the Company accrued these dividends on a cash basis, the total amount accrued would have been $15,101,000. The dividends payable on December 1, 1995, June 1, 1996, December 1, 1996, and June 1, 1997 totaling $8,628,000 were accrued on a cash basis.

The Company has not declared or paid dividends since 1991, due to restrictions and ambiguities relating to the payment of dividends contained within its charter, its working capital facility agreement, and under Maryland law.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

27 Financial Data Schedule

(b) Reports on Form 8-K: Registrant filed a Current Report on Form 8-K, dated September 15, 1997, in respect of the Change in Registrant's Certifying Accountants.

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.

DATE:	TELOS CORPORATION
November 14, 1997	/s/ Lorenzo Tellez ------------------ Lorenzo Tellez (Principal Financial Officer & Principal Accounting Officer)

This schedule contains summary financial information extracted from the consolidated balance sheets and statements of income for Telos Corporation and is qualified in its entirety by reference to such financial statements.

9-MOS
DEC-31-1997
SEP-30-1997
424,000
0
58,179,000
1,361,000
14,497,000
75,260,000
38,828,000
22,324,000
111,747,000
39,841,000
52,923,000
44,298,000
0
78,000
(37,556,000)
111,747,000
87,710,000
180,435,000
77,115,000
154,565,000
0
0
5,551,000
(96,000)
0
(96,000)
0
0
0
(96,000)
0
0