FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

For Quarterly Period Ended December 31, 1999

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 1-8462

GRAHAM CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	16-1194720
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
20 FLORENCE AVENUE, BATAVIA, NEW YORK	14020
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including Area Code - 716-343-2216

(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 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 February 8, 2000, there were outstanding 1,504,464 shares of common stock, $.10 per share.

GRAHAM CORPORATION AND SUBSIDIARIES

FORM 10-Q

DECEMBER 31, 1999

PART I - FINANCIAL INFORMATION

Unaudited consolidated financial statements of Graham

Corporation (the Company) and its subsidiaries as of December 31, 1999 and for the three month and nine month periods then ended are presented on the following pages. The financial statements have been prepared in accordance with the company's usual accounting policies, are based in part on approximations and reflect all normal and recurring adjustments which are, in the opinion of management, necessary to a fair presentation of the results of the interim periods.

This part also includes management's discussion and analysis of the Company's financial condition as of December 31, 1999 and its results of operations for the three and nine month periods then ended.

GRAHAM CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

<S>	December 31, 1999 <C>	March 31, 1999 <C>
Assets		
Current Assets:		
Cash and equivalents	$ 16,000	$ 120,000
Investments	4,905,000	4,928,000
Trade accounts receivable	6,220,000	7,580,000
Inventories	6,717,000	6,803,000
Domestic and foreign income taxes receivable	162,000	73,000
Deferred tax asset	913,000	950,000
Prepaid expenses and other current assets	483,000	349,000
	19,416,000	20,803,000
Property, plant and equipment, net	10,219,000	10,450,000
Deferred income tax asset	2,201,000	2,673,000
Other assets	45,000	210,000
	$31,881,000	$34,136,000

</TABLE>

GRAHAM CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (concluded)

<TABLE>
<CAPTION>

<S>	December 31, 1999 <C>	March 31, 1999 <C>
Liabilities and Shareholders' Equity		

Current liabilities:		
Short-term debt due banks	$ 3,006,000	
Current portion of long-term debt	406,000	$ 546,000
Accounts payable	1,824,000	2,879,000
Accrued compensation	2,612,000	3,938,000
Accrued expenses and other liabilities	1,161,000	1,043,000
Customer deposits	248,000	408,000
	9,257,000	8,814,000
Long-term debt	247,000	505,000
Accrued compensation	1,090,000	1,095,000
Other long-term liabilities	298,000	303,000
Accrued pension liability	1,520,000	3,519,000
Accrued postretirement benefits	3,254,000	3,188,000
Total liabilities	15,666,000	17,424,000
Shareholders' equity:		
Preferred Stock, $1 par value - Authorized, 500,000 shares		
Common stock, $.10 par value - Authorized, 6,000,000 shares Issued 1,690,595 shares on December 31, 1999 and on March 31, 1999	169,000	169,000
Capital in excess of par value	4,521,000	4,521,000
Retained earnings	16,033,000	17,731,000
Accumulated other comprehensive loss	(1,901,000)	(3,076,000)
	18,822,000	19,345,000
Less:		
Treasury Stock	(2,532,000)	(2,408,000)
Employee Stock Ownership Plan Loan Payable	(75,000)	(225,000)
Total shareholders' equity	16,215,000	16,712,000
	$31,881,000	$34,136,000

</TABLE>

GRAHAM CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

<TABLE>
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	Three Months ended December 31,		Nine Months ended December 31,	
	1999	1998	1999	1998
<S>	<C>	<C>	<C>	<C>
Net Sales	$ 8,288,000	$14,219,000	$29,000,000	$40,792,000
Cost and expenses:				
Cost of products sold	6,485,000	10,255,000	21,266,000	29,083,000
Selling, general and administrative	2,357,000	3,229,000	7,079,000	9,305,000
Interest expense	58,000	116,000	168,000	237,000
Curtailment loss	1,993,000		1,993,000	
	10,893,000	13,600,000	30,506,000	38,625,000
Income (Loss) before income taxes	(2,605,000)	619,000	(1,506,000)	2,167,000
Provision (Benefit) for income taxes	(217,000)	216,000	192,000	743,000
Net income (loss)	(2,388,000)	403,000	(1,698,000)	1,424,000
Retained earnings at beginning of period	18,421,000	16,383,000	17,731,000	15,362,000
Retained earnings at end of period	$16,033,000	$16,786,000	$16,033,000	$16,786,000

Per Share Data:				
Basic:				
Net income (loss)	$(1.57)	$.25	$(1.11)	$.88
	======	====	======	====
Diluted:				
Net income (loss)	$(1.57)	$.25	$(1.11)	$.87
	======	====	======	====

</TABLE>

GRAHAM CORPORATION AND SUBSIDIARIES - CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
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	Nine Months Ended December 31, 1999	Nine Months Ended December 31, 1998
<S>	<C>	<C>
Operating activities:		
Net income (loss)	$(1,698,000)	$ 1,424,000
Adjustments to reconcile net income to net cash (used) provided by operating activities:		
Depreciation and amortization	756,000	785,000
Loss on sale of property, plant and equipment	20,000	5,000
(Increase) Decrease in operating assets:		
Accounts receivable	1,366,000	636,000
Inventory, net of customer deposits	(96,000)	1,868,000
Prepaid expenses and other current and non-current assets	(202,000)	68,000
Increase (Decrease) in operating liabilities:		
Accounts payable, accrued compensation, accrued expenses and other liabilities	(2,520,000)	(3,673,000)
Deferred compensation, deferred pension liability, and accrued postemployment benefits	224,000	307,000
Domestic and foreign income taxes	(89,000)	(778,000)
Deferred income taxes		(5,000)
Other long-term liabilities	(5,000)	(48,000)
Total adjustments	(546,000)	(835,000)
Net cash (used) provided by operating activities	(2,244,000)	589,000
Investing activities:		
Purchase of property, plant and equipment	(494,000)	(690,000)
Proceeds from sale of property, plant and equipment	7,000	5,000
Purchase of marketable securities	(904,000)	(6,407,000)
Proceeds from maturity of marketable securities	906,000	10,987,000
Net cash (used) provided by investing activities	(485,000)	3,895,000
Financing activities:		
Increase (Decrease) in short-term debt	3,007,000	(40,000)
Proceeds from issuance of long-term debt		5,950,000
Principal repayments on long-term debt	(255,000)	(6,238,000)
Purchase of treasury stock	(125,000)	(1,713,000)
Net cash provided (used) by financing activities	2,627,000	(2,041,000)
Effect of exchange rate on cash	(2,000)	
Net increase (decrease) in cash and equivalents	(104,000)	2,443,000
Cash and equivalents at beginning of period	120,000	1,694,000
Cash and equivalents at end of period	$ 16,000	$ 4,137,000
	===========	===========

</TABLE>

GRAHAM CORPORATION AND SUBSIDIARIES
NOTES TO FINANCIAL INFORMATION

DECEMBER 31, 1999

NOTE 1 - INVENTORIES

Major classifications of inventories are as follows:

	12/31/99	3/31/99
Raw materials and supplies	$ 1,801,000	$ 1,945,000
Work in process	3,997,000	5,025,000
Finished products	1,309,000	1,231,000
	7,107,000	8,201,000
Less - progress payments	390,000	1,398,000
	$ 6,717,000	$ 6,803,000

NOTE 2 - EARNINGS PER SHARE:

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding for the period. Diluted earnings per share is calculated by dividing net income by the weighted average number of common and, when applicable, potential common shares outstanding during the period. A reconciliation of the numerators and denominators of basic and diluted earnings per share is presented below:

	Three months ended December 31, 1999	Three months ended December 31, 1998	Nine months ended December 31, 1999	Nine months ended December 31, 1998
Basic earnings (loss) per share				
Numerator:				
Net income (loss)	$(2,388,000)	$ 403,000	$(1,698,000)	$1,424,000
Denominator:				
Weighted common shares outstanding	1,510,000	1,585,000	1,517,000	1,607,000
Share equivalent units (SEU) outstanding	11,000	5,000	9,000	5,000
Weighted average shares and SEU's outstanding	1,521,000	1,590,000	1,526,000	1,612,000
Basic earnings (loss) per share	$(1.57)	$.25	$(1.11)	$.88

	Three months ended December 31, 1999	Three months ended December 31, 1998	Nine months ended December 31, 1999	Nine months ended December 31, 1998
Diluted earnings (loss) per share				
Numerator:				
Net income (loss)	$(2,388,000)	$ 403,000	$(1,698,000)	$1,424,000
Denominator:				
Weighted average shares and SEU's outstanding	1,521,000	1,590,000	1,526,000	1,612,000
Stock options outstanding		4,000		16,000
Contingently issuable SEU's		6,000		5,000
Weighted average common and potential common shares outstanding	1,521,000	1,600,000	1,526,000	1,633,000
Diluted earnings (loss) per share	$(1.57)	$.25	$(1.11)	$.87

All options to purchase shares of common stock at various exercise prices were excluded from the computation of diluted loss per share as the effect would be antidilutive due to the quarterly and year-to-date net loss.

NOTE 3 - CASH FLOW STATEMENT

Actual interest paid was $166,000 and $240,000 for the nine months ended December 31, 1999 and 1998, respectively. In addition, actual income taxes paid were $398,000 and $1,444,000 for the nine months ended December 31, 1999 and 1998, respectively.

Non-cash activities during the nine months ended December 31, 1999 included the reversal of a minimum pension liability adjustment, net of a $510,000 tax benefit, totaling $1,191,000 which had been recognized in the previous year.

NOTE 4 - COMPREHENSIVE INCOME

Total comprehensive loss was $2,462,000 and $509,000 for the three months ended December 31, 1999 and 1998, respectively. Other comprehensive loss for the three months ended December 31, 1999 and 1998 included foreign currency translation adjustments of $74,000 and $45,000, respectively. In addition, other comprehensive loss for the three months ended December 31, 1998 included a minimum pension liability adjustment of $867,000.

NOTE 4 - COMPREHENSIVE INCOME (concluded)

Total comprehensive income (loss) for the nine months ended December 31, 1999 and 1998 was $(523,000) and $547,000, respectively. Other comprehensive income (loss) for the nine months ended December 31, 1999 and 1998 included foreign currency translation adjustments of $(16,000) and $(10,000), respectively. In addition, other comprehensive income (loss) for the nine months ended December 31, 1999 and 1998 included a minimum pension liability adjustment of $1,191,000 and $(867,000), respectively.

NOTE 5 - SEGMENT INFORMATION

The Company's business consists of two operating segments based upon geographic area. The United States segment designs and manufactures heat transfer and vacuum equipment and the operating segment located in the United Kingdom manufactures vacuum equipment. Operating segment information is presented below:

<TABLE>
<CAPTION>

	Three Months Ended December 31, 1999	Three Months Ended December 31, 1998	Nine Months Ended December 31, 1999	Nine Months Ended December 31, 1998
<S>	<C>	<C>	<C>	<C>
Sales from external customers				
U.S.	$ 7,227,000	$13,051,000	$25,941,000	$37,491,000
U.K.	1,061,000	1,168,000	3,059,000	3,301,000
Total	$ 8,288,000	$14,219,000	$29,000,000	$40,792,000
Intersegment sales				
U.S.	$ 1,000		$ 161,000	
U.K.	235,000	$ 201,000	780,000	$ 886,000
Total	$ 236,000	$ 201,000	$ 941,000	$ 886,000
Segment net income (loss)				
U.S.	$ (452,000)	$ 474,000	$ 350,000	$ 1,440,000
U.K.	(1,908,000)	(71,000)	(2,132,000)	(16,000)
Total segment net income (loss)	(2,360,000)	403,000	(1,782,000)	1,424,000
Elimination of intercompany profit in inventory	(28,000)		84,000	
Net income (loss)	$(2,388,000)	$ 403,000	$(1,698,000)	$ 1,424,000

</TABLE>

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NOTE 6 - CURTAILMENT LOSS
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In October 1999, management commenced the process to terminate the defined benefit pension plan in the United Kingdom. At December 31, 1999, the curtailment loss resulting from the plan termination was estimated at $1,993,000. This charge is presented separately in the Consolidated Statement of Operations. A valuation allowance has been established for the full amount of the tax benefit associated with this loss until the benefit is determined to be realizable. Management anticipates that final actuarial calculations relating to the plan termination will be completed by March 31, 2000. It is estimated that the final amount of the curtailment loss could be 19% more or less than the loss recognized in the third quarter. Employees may participate in a defined contribution plan which has replaced this plan.

GRAHAM CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS
December 31, 1999

Results of Operations
- ---------------------

Sales declined 42% in the third quarter of fiscal year 2000 compared to the same period in the previous year. Sales for the third quarter decreased 45% in the United States and declined 5% in the United Kingdom compared to fiscal year 1999. Sales for the nine months ended December 31, 1999 were less than sales for the same period last year by 29%. Sales in the United States decreased 30% while sales in the United Kingdom decreased 8% from the same period last year. The decreased sales, which is primarily attributable to the United States operations, is due to the recession experienced by many of the major market sectors that the Company serves. These lower sales volumes are a reflection of the reduced order intake levels over the past twelve months.

Cost of sales as a percent of sales for the third quarter was 78% compared to 72% a year ago. Cost of sales as a percent of sales for the three month period was 81% in the United States compared to 73% last year and in the United Kingdom it improved to 66% compared to 71% last year. For the nine months, cost of sales as a percent of sales increased from 71% a year ago to 73% currently. In the United States, the cost of sales percentage was 75% compared to 72% last year and in the United Kingdom it increased to 74% from 70% for the same period last year. The unfavorable percentages for the three and nine month periods are due to sales volume being reduced while fixed production costs have remained relatively stable.

Selling, general and administrative expenses were 27% lower in the third quarter compared to the same period in fiscal year 1999, and represented 28% of sales compared to 23% last year. For the nine month period, selling, general and administrative expenses declined 24% as compared to fiscal year 1999 and were 24% of sales compared to 23% in the prior year. The decrease in selling, general and administrative expenses is attributable to the downsizing of the workforce in both the United States and the United Kingdom, as well as, management's continued efforts to control costs. However, since sales levels have dropped significantly, selling, general and administrative expenses as a percent of sales have increased.

Interest expense for the third quarter of fiscal year 2000 was 50% below interest expense for the comparable three month period of 1999 and for the nine month period, interest expense decreased 29% as compared to 1999. Interest expense in the prior year periods included interest owed on state franchise and sales tax which was a one-time expense.

Results of Operations (concluded)

In the second quarter of fiscal year 1999, the Company disclosed its intention to terminate the defined benefit pension plan in the United Kingdom. Accordingly, the third quarter results reflect the recognition of a curtailment loss of $1,993,000 which represents the Company's current estimate of the expense to terminate the plan. The final amount of the loss may vary from the estimate by approximately 19%.

The effective income tax rates for the third quarter and nine month period of fiscal year 2000 were 8% and (13%), respectively. The effective tax rates for the three months and nine months ended December 31, 1998 were 35% and 34%, respectively. The unusual effective tax rates for the current year periods are attributable to the recognition of a 100% valuation allowance against the tax benefit associated with the curtailment loss mentioned above.

Financial Condition

Working capital of $10,159,000 at December 31, 1999 compares to $11,989,000 at the end of March. This working capital decline reflects a decrease in current assets and an increase in current liabilities of $1,387,000 and $443,000, respectively. The decrease in current assets related primarily to a decrease in accounts receivable and inventories which is a reflection of the reduced sales levels and current business conditions. The increase in current liabilities is due to an increase in short-term borrowings offset by a decline in accounts payable and accrued compensation. Short-term borrowings were required to fund working capital needs. The decrease in accounts payable is attributable to lower gross inventory levels while the decrease in accrued compensation is due to payments made in the first six months of the year and a reduction in certain employee benefit accruals. The current ratio at December 31, 1999 is 2.1 compared to 2.36 at March 31, 1999.

Net cash used from operating activities, adjusted for depreciation and amortization, was $1,488,000 for the nine months ended December 31, 1999. This cash was utilized primarily for the funding of the United Kingdom pension plan. Net cash used in investing activities for the nine months of $485,000 was used for capital expenditures which were $494,000 compared to $690,000 for the same period last year. There were no major commitments for capital expenditures as of December 31, 1999. As noted above, net cash provided by financing activities of $2,627,000 was due to an increase in short-term debt.

Management expects that the cash flow from operations and lines of credit will provide sufficient resources to fund the fiscal year 2000 cash requirements.

Total long-term debt decreased $398,000 due to paydowns on bank debt and capital leases. Debt ratios have improved slightly with the long term debt to equity ratio at 4% compared to 6% at March 31, 1999 and the total liabilities to assets ratio at 49% compared to 51% at March 31, 1999.

New Orders and Backlog

New orders for the third quarter were $12,061,000 compared to $8,540,000 for the same period last year. Prior to intercompany eliminations, new orders in the United States were $10,992,000 compared to $7,729,000 for the same period in fiscal year 1999. New orders in the United Kingdom were $1,307,000 compared to $1,393,000 for the same quarter last year.

For the nine month period, new orders were $29,563,000 compared to $29,841,000 for the comparable nine month period of the prior year. Prior to eliminations, new orders in the United States were $26,864,000 compared to $26,398,000 for the same period last year and new orders in the United Kingdom were $3,560,000 compared to $4,567,000 in 1999.

Backlog of unfilled orders at December 31, 1999 is $15,992,000 compared to $17,170,000 at this time a year ago and $15,438,000 at March 31, 1999. Prior to intercompany eliminations, current backlog in the United States of $15,383,000 compares to $14,624,000 at March 31, 1999 and $16,127,000 at December 31, 1998. Current backlog in the United Kingdom of $842,000 compares to $1,127,000 at March 31, 1999 and $1,562,000 at December 31, 1998. The current backlog is scheduled to be shipped during the next twelve months and represents orders from traditional markets in the Company's established product lines.

Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to changes in interest rates, foreign currency exchange rates and equity prices which may adversely impact its results of operations and financial position. The Company is exposed to interest rate risk primarily through its borrowing activities and short-term investments. Risk associated with interest rate fluctuations on debt is managed by holding interest bearing debt to the absolute minimum and assessing the risks and benefits for incurring long-term debt. Based upon variable rate debt outstanding at December 31, 1999, a 1% change in interest rates would impact annual interest expense by $31,000. To manage interest rate risk in regards to short-term investments, the Company invests primarily in fixed rate instruments and holds investments to maturity.

Historically, Graham's international consolidated sales exposure approximates fifty percent of annual sales. Operating in world markets involves exposure to movements in currency exchange rates. Currency movements can affect sales in several ways. Foremost, the ability to competitively compete for orders against competition having a relatively weaker currency. Business lost due to this cannot be quantified. Secondly, redemption value of sales can be adversely impacted. The substantial portion of Graham's sales are collected in U.S. dollars. The Company enters into forward foreign exchange agreements to hedge its exposure against unfavorable changes in foreign currency values on significant sales contracts negotiated in foreign currencies. Graham uses derivatives for no other reason.

The loss from foreign operations reduced both Graham's third quarter and year-to-date net income by 397% and 491%, respectively.

This significant reduction was attributable to the $1,993,000 curtailment loss recognized in the third quarter relating to the termination of the United Kingdom pension plan. As currency exchange rates change, translations of the income statements of our U.K. business into U.S. dollars affects year-over-year comparability of operating results. The Company does not hedge translation risks because cash flows from U.K. operations are mostly reinvested in the U.K. A 10% change in foreign exchange rates would impact third quarter and year-to-date net income by approximately $191,000 and $216,000, respectively.

The Company has a Long-Term Incentive Plan which provides for awards of share equivalent units (SEU) for outside directors based upon the Company's performance. The outstanding SEU's are recorded at fair market value thereby exposing the Company to equity price risk. Gains and losses recognized due to market price changes are included in the quarterly results of operations. Based upon the SEU's outstanding at December 31, 1999 and 1998 and the quarter end market price per share ($6.63 and $7.75 at December 31, 1999 and 1998, respectively), a twenty to forty percent change in the respective quarter end market price of the Company's common stock would positively or negatively impact the Company's third quarter operating results by $14,000 to $28,000 for 2000 and $17,000 to $33,000 for 1999. In the third quarter of 2000, the expense, net of a tax benefit, recorded due to the increase in the stock price was not significant. Assuming the net income target of $500,000 is met and SEU's are granted to the five outside directors in accordance with the plan over the next five years, based upon the December 31, 1999 market price of the Company's stock of $6.63 per share, a twenty to forty percent change in the stock price would positively or negatively impact the Company's operating results by $24,000 to $48,000 in 2001, $34,000 to $68,000 in 2002, $36,000 to $72,000 in 2003, and $38,000 to $76,000 in 2004 and 2005.

Accounting Standard Changes

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and derivatives utilized for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. This statement is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. Management is evaluating the impact this statement may have on the Company's financial statements.

Other Matters

On January 14, 2000, the Company announced that Graham Precision Pumps Limited, the United Kingdom subsidiary, entered into an agreement with Leybold Vacuum to acquire the ALLex dry pump product line. Prior to this, the Company sold ALLex dry pumps under a licensing agreement with Leybold.

GRAHAM CORPORATION AND SUBSIDIARIES
FORM 10-Q
DECEMBER 31, 1999
PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

a. See index to exhibits.

b. No reports on Form 8-K were filed during the quarter ended December 31, 1999

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.

GRAHAM CORPORATION

/s/J.R. Hansen

J. R. Hansen
Vice President Finance and
Administration / CFO (Principal
Accounting Officer)

Date 02/08/00

INDEX OF EXHIBITS

(2) Plan of acquisition, reorganization, arrangement, liquidation or succession

Not applicable.

(4) Instruments defining the rights of security holders, including indentures

(a) Equity securities
The instruments defining the rights of the holders of Registrant's equity securities are as follows:

Certificate of Incorporation, as amended of Registrant (filed as Exhibit 3(a) to the Registrant's annual report on Form 10-K for the fiscal year ended December 31, 1989, and incorporated herein by reference.)

By-laws of registrant, as amended (filed as Exhibit 3.2(ii) to the Registrant's annual report on Form 10-K for the fiscal year ended March 31, 1998, and is incorporated herein by referenced.)

Shareholder Rights Plan of Graham Corporation (filed as Exhibit (4) to Registrant's current report filed on Form 8-K on February 26, 1991, as amended by Registrant's Amendment No. 1 on Form 8 dated June 8, 1991, and incorporated herein by reference.)

(b) Debt securities

Not applicable.

(10) Material Contracts

1989 Stock Option and Appreciation Rights Plan of Graham Corporation (filed on the Registrant's Proxy Statement for its 1991 Annual Meeting of Shareholders and incorporated herein by reference.)

1995 Graham Corporation Incentive Plan to Increase Shareholder Value (filed on the Registrant's Proxy Statement for its 1996 Annual Meeting of Shareholders and incorporated herein by reference.)

Graham Corporation Outside Directors' Long-Term Incentive Plan (filed as Exhibit 10.3 to the Registrant's annual report on Form 10-K for the fiscal year ended March 31, 1998, and is incorporated herein by reference.)

Index to Exhibits (concluded)
- ----------------------------

Employment Contracts between Graham Corporation and Named Executive Officers (filed as Exhibit 10.4 to the Registrant's annual report on Form 10-K for the fiscal year ended March 31, 1998, and is incorporated herein by reference.)

Senior Executive Severance Agreements with Named Executive Officers (filed as Exhibit 10.5 to the Registrant's annual report on Form 10-K for the fiscal year ended March 31, 1998, and is incorporated herein by reference.)

(11) Statement re-computation of per share earnings

Computation of per share earnings is included in Note 2 of the Notes to Financial Information.

(15) Letter re-unaudited interim financial information

Not applicable.

(18) Letter re-change in accounting principles

Not Applicable.

(19) Report furnished to security holders

None.

(22) Published report regarding matters submitted to vote of security holders

None.

(23) Consents of experts and counsel

Not applicable.

(24) Power of Attorney

Not applicable.

(27) Financial Data Schedule

Financial Data Schedule is included herein as Exhibit 27 of this report.

(99) Additional exhibits

None.

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The schedule contains summary financial information extracted from the Graham Corporation consolidated balance sheet and consolidated statement of operations and retained earnings and is qualified in its entirety by reference to such financial statements.
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<INCOME-TAX>	192
<INCOME-CONTINUING>	(1,698)
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	(1,698)
<EPS-BASIC>	(1.11)
<EPS-DILUTED>	(1.11)

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