SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-Q

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

For the quarterly period ended December 31, 1996

OR

[ ]TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from ______________ to ______________

Commission File Number 0-19424
____
EZCORP, INC.
(Exact name of registrant as specified in its charter)

Delaware	74-2540145
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

1901 Capital Parkway
Austin, Texas 78746
(Address of principal executive offices)
(Zip Code)

(512) 314-3400
(Registrant's telephone number, including area code)

NA
(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__

APPLICABLE ONLY TO CORPORATE ISSUERS:

The only class of voting securities of the registrant issued and outstanding is the Class B Voting Common Stock, par value $.01 per share, 100% of which is owned by two record holders which are affiliates of the registrant. There is no trading market for the Class B Voting Common Stock.

As of December 31, 1996, 9,959,536 shares of the registrant's Class A Non-voting Common Stock, par value $.01 per share and 2,036,296 shares of the registrant's Class B Voting Common Stock, par value $.01 per share were outstanding.

EZCORP, INC.
INDEX TO FORM 10-Q

PART I

Item 1. Financial Statements (Unaudited)

EZCORP, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets (Unaudited)
(Dollars in thousands)

	December 31, 1996	September 30, 1996
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 2,793	$ 1,419
Pawn loans receivable	35,775	34,636
Service charge receivable	10,693	10,262
Inventories (net)	34,673	35,834
Deferred tax asset	2,366	2,140
Other	2,378	2,998
Total current assets	88,678	87,289
Property and equipment, net	33,850	34,266
Other assets:		
Excess purchase price over net assets acquired	12,981	13,099
Other	5,737	5,712
Total assets	$141,246	$140,366
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Current maturities of long-term debt	$ 177	$ 172
Accounts payable and accrued expenses	7,546	8,183
Federal income taxes payable	1,420	800
Other	1,974	1,976
Total current liabilities	11,117	11,131
Long-term debt less current maturities	15,199	16,244
Stockholders' equity:		
Preferred stock, par value $.01 a share - Authorized 5,000,000 shares; none issued and outstanding	-	-
Class A Non-voting Common stock, par value $.01 a share - Authorized 40,000,000 shares; 9,968,569 shares issued and 9,959,536 outstanding at December 31, 1996 (9,728,904 issued and 9,719,871 outstanding September 30, 1996)	100	97
Class B Voting Common stock, par value $.01 a share - Authorized 2,274,969 shares; 2,036,296 shares issued and outstanding at December 31, 1996 (2,270,863 issued and outstanding September 30, 1996)	20	23
Additional paid-in capital	114,338	114,301
Retained earnings	1,236	(666)
	115,694	113,755
Other	(764)	(764)
Total stockholders' equity	114,930	112,991
Total liabilities and stockholders' equity	$141,246	$140,366

See Notes to Interim Condensed Consolidated Financial Statements (unaudited).

EZCORP, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations (Unaudited)
(Dollars in thousands, except per share amounts)

	Three Months Ended December 31, 1996	1995
Revenues:		
Sales	$ 27,100	$ 32,118
Pawn service charges	18,742	19,315
Total revenues	45,842	51,433
Cost of goods sold	22,512	27,995
Net revenues	23,330	23,438
Operating expenses:		
Operations	15,013	16,555
Administrative	3,193	2,940
Depreciation and amortization	1,890	1,894
Total operating expenses	20,096	21,389
Operating income	3,234	2,049
Interest expense	291	762
Income before income taxes	2,943	1,287
Income tax expense	1,040	462
Net income	$ 1,903	$ 825
Earnings per share	$ 0.16	$ 0.07
Weighted average shares outstanding	11,992,718	11,980,912

See Notes to Interim Condensed Consolidated
Financial Statements (unaudited).

EZCORP, Inc. and SubsidiariesCondensed Consolidated
Statements of Cash Flows (Unaudited)
(Dollars in thousands)

	Three Months Ended December 31, 1996	1995
OPERATING ACTIVITIES:		
Net income	$ 1,903	$ 825
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,890	1,894
Deferred income taxes	(394)	462
Gain on sale of assets	-	-
Changes in operating assets and liabilities:		
(Increase)/decrease in service charge receivable	(431)	1,229
(Increase)/decrease in inventories	1,161	(111)
(Increase)/decrease in prepaid expenses and other assets	587	(432)
Increase/(decrease) in accounts payable and accrued expenses	(600)	1,439
Increase/(decrease) in customer layaway deposits	(2)	36
Decrease in income taxes recoverable	-	670
Increase in income taxes payable	620	-
Net cash provided by operating activities	4,734	6,012
INVESTING ACTIVITIES:		
Pawn loans forfeited and transferred to inventories	11,466	16,512
Pawn loans made	(32,374)	(39,339)
Pawn loans repaid	19,769	28,627
Net (increase)/decrease in loans	(1,139)	5,800
Additions to property, plant, and equipment	(1,181)	(819)
Sale of assets	-	736
Net cash provided/(used) by investing activities	(2,320)	5,717
FINANCING ACTIVITIES:		
Proceeds from bank borrowings	1,000	-
Payments on borrowings	(2,040)	(5,046)
Net cash (used) by financing activities	(1,040)	(5,046)
Increase in cash and cash equivalents	1,374	6,683
Cash and cash equivalents at beginning of period	1,419	4,593
Cash and cash equivalents at end of period	$ 2,793	$11,276
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Issuance of common stock to 401(k) Plan	$ 37	$ 65

See Notes to Interim Condensed Consolidated Financial Statements (unaudited).

EZCORP, Inc. and SubsidiariesNotes to Interim Condensed Consolidated Financial Statements (Unaudited)
December 31, 1996

Note A - Basis of PresentationThe accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring entries) considered necessary for a fair presentation have been included. The accompanying financial statements should be read with the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended September 30, 1996.

The Company's business is subject to seasonal variations, and operating results for the three-month period ended December 31, 1996 are not necessarily indicative of the results of operations for the full fiscal year.

Note B - Accounting Principles and Practices

The provision for federal income taxes has been calculated based on the Company's estimate of its effective tax rate for the full fiscal year.

To conform with the current year's presentation, $3.4 million of proceeds from the disposal of scrap jewelry have been reclassified from cost of sales to sales for the three-month period ended December 31, 1995.

The Company provides inventory reserves for shrinkage and cost in excess of market value. The Company estimates these reserves using analysis of sales trends, inventory aging, sales margins and shrinkage on inventory. As of December 31, 1996, inventory reserves were $7.8 million.

During fiscal 1995, the Company established a $7.7 million provision for the closing and consolidation of thirty-two (32) of its stores and for the write-down of tangible and intangible assets. As of December 31, 1996, all the stores have been closed. The December 31, 1996 accrued liability for store closings is $0.3 million, principally for estimated rent obligations.

In October 1995, the Financial Accounting Standards Board issued FASB Statement No. 123, "Accounting for Stock Based Compensation" which prescribes accounting and reporting standards for all stock-based compensation plans. The Company has determined it will continue to account for its stock based compensation plans in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." The Company will not expense the fair value of stock based compensation, but will provide proforma footnote disclosures in the annual report of what net income would have been had the Company adopted the new fair value method for recognition purposes.

Note C - Earnings Per Share

Earnings per share calculations assume exercise of all outstanding stock options and warrants using the treasury stock method of calculation. The per share calculation excludes these common equivalent shares as their effect is anti-dilutive.

Note D - Litigation

The Company is involved in litigation relating to claims that arise from time to time from normal business operations. Currently, the Company is a defendant in several lawsuits. Some of these lawsuits involve claims for substantial amounts. While the ultimate outcome of these lawsuits involving the Company cannot be ascertained, after consultation with counsel, it is management's opinion that the resolution of these suits will not have a material adverse effect on the Company's financial condition or results of operations. However, there can be no assurance as to the ultimate outcome of these matters.

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

First Quarter Ended December 31, 1996 vs. First Quarter Ended December 31, 1995

The discussion in this section of this report contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those discussed herein. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this section and those discussed elsewhere in this report.

The following table sets forth selected, unaudited, consolidated financial data with respect to the Company for the three months ended December 31, 1996 and 1995.

	Three Months Ended December 31, 1996	1995	% or Point Changea
	(Dollars in thousands)		
Net Revenues:			
Salesb	$ 27,100	$ 32,118	(15.6%)
Pawn service charges	18,742	19,315	(3.0%)
Total revenuesb	45,842	51,433	(10.9%)
Cost of goods soldb	22,512	27,995	(19.6%)
Net revenues	$ 23,330	$ 23,438	(0.5%)
Other Data:			
Gross profit as a percent of salesb	16.9%	12.8%	4.1 pts.
Average annual inventory turnover	2.5x	2.5x	0.0x
Average inventory balance per location as of the end of the quarter	$140	$175	(20.0%)
Average loan balance per location as of the end of the quarter	$144	$143	0.7%
Average yield on loan portfolio	213%	207%	6.0 pts.
Redemption rate	79%	75%	4.0 pts.
Expenses as a Percent of Total Revenues:b			
Operating	32.7%	32.2%	0.5 pt.
Administrative	7.0	5.7	1.3 pts.
Depreciation and amortization	4.1	3.7	0.4 pt.
Interest, net	0.6	1.5	(0.9) pt.
Locations in Operation:			
Beginning of period	246	261	
Acquired	-	-	
Established	2	2	
Sold, combined or closed	-	(25)	
End of period	248	238	
Average locations in operation during the periodc	247.0	249.5	

- --------------------------------

a In comparing the period differences between dollar amounts or store counts, a percentage change is used. In comparing the period differences between two percentages, a percentage point (pt.) change is used.

b Sales from scrap and wholesale activity were reclassified from cost of goods sold to sales. All 1995 amounts have been adjusted as a result of this reclassification.

c Average locations in operation during the period is calculated based on the average of the locations operating at the beginning and end of such period.

Results of Operations

The following discussion compares results for the three-month period ended December 31, 1996 ("Fiscal 1997 Period") to the three month period ended December 31, 1995 ("Fiscal 1996 Period"). The discussion should be read in conjunction with the accompanying financial statements and related notes.

During the Fiscal 1997 Period, the Company opened two (2) newly established stores. During the twelve (12) months ended December 31, 1996, the company opened eleven (11) newly establish stores and closed one (1). The store closing was a result of the Company's decision, made during the fourth Fiscal 1995 quarter, to consolidate and close thirty-two (32) stores. At December 31, 1996, the Company operated 248 stores in twelve (12) states.

The Company's primary activity is the making of small, non-recourse loans secured by tangible personal property. The income earned on this activity is pawn service charge revenue. For the Fiscal 1997 Period, pawn service charge revenue decreased $0.6 million from the Fiscal 1996 Period to $18.7 million. A decline in same store pawn service charge revenue ($0.5 million) and the loss of pawn service charge revenue from the thirty-two (32) closed stores ($0.3 million) were partially offset by new stores not open the full three month period ($0.2 million). The $0.5 million same store pawn service charge decline is the net result of lower average loan balances ($1.0 million pawn service charge revenue impact) offset by annualized yield improvement on the pawn loan portfolio of six percentage points to 213% ($0.5 million). At December 31, 1996, same store pawn loan balances were 4 percent above December 31, 1995.

A secondary, but related, activity of the Company is the sale of merchandise, primarily collateral forfeited from its lending activity. For the Fiscal 1997 Period, merchandise sales decreased approximately $5.0 million from the Fiscal 1996 Period to approximately $27.1 million. A decline in same store merchandise sales ($2.8 million), merchandise sales of the closed stores ($0.5 million), and the decrease in the amount of sales associated with the inventory liquidation which commenced in the fourth Fiscal 1995 quarter ($2.6 million) were partially offset by new store sales ($0.9 million). Same store sales for the Fiscal 1997 Period declined ten percent from the Fiscal 1996 Period primarily as a result of a twenty percent reduction in inventory levels per store (approximately $140,000 in the Fiscal 1997 Period as compared to $175,000 in the Fiscal 1996 Period).

For the Fiscal 1997 Period, gross profits as a percentage of merchandise sales increased 2.9 percentage points from the Fiscal 1996 Period to 16.9 percent, excluding the 1995 inventory liquidation discussed above (1.2 points). This increase results from an improvement in margins on merchandise sales (1.1 percentage points), a reduction in inventory shrinkage when measured as a percentage of merchandise sales (down 1.2 percentage points to approximately 1.3 percentage points) and improved gross profit on the sale of scrap jewelry (0.6 percentage point).

The Company's gross margin level (gross profit as a percentage of merchandise sales) results from, among other factors, the composition, quality and age of its inventory. At December 31, 1996, and 1995, respectively, the Company's inventories consisted of approximately 65 and 57 percent jewelry (e.g. ladies' and men's rings, chains, bracelets, etc.) and 35 and 43 percent general merchandise (e.g., televisions, VCRs, tools, sporting goods, musical instruments, firearms, etc.). At December 31, 1996 and 1995, respectively, 76% and 77% of the jewelry was less than twelve months old based on the Company's date of acquisition (date of forfeiture for collateral or date of purchase) as was approximately 87% of the general merchandise inventory for both periods.

In the Fiscal 1997 Period, operating and administrative expenses as a percentage of total revenues increased 0.5 and 1.3 percentage points, respectively, from the Fiscal 1996 Period, primarily as a result of the 11% decline in total revenues from the Fiscal 1996 Period.

Depreciation and amortization expense increased 0.4 percentage points in the Fiscal 1997 Period from the Fiscal 1996 Period. The increase is primarily a result of the 11% decrease in total revenues for the Fiscal 1997 Period from the Fiscal 1996 Period. Interest expense (net) was down 0.9 percentage points in the Fiscal 1997 Period over the Fiscal 1996 Period largely as a result of decreased borrowings under the Company's line of credit.

Liquidity and Capital Resources

Net cash provided by operating activities for the Fiscal 1997 Period was $4.7 million as compared to $6.0 million provided in the Fiscal 1996 Period. A portion of the Fiscal 1996 operating cash flow is the result of income tax refunds from the carryback of the Company's Fiscal 1995 net operating loss and the lower level of taxes payable resulting from the carryforward of this net operating loss. Net cash used by investing activities was $2.3 million for the Fiscal 1997 Period compared to $5.7 million provided in the Fiscal 1996 period. The change is due to increases in pawn loan balances and higher levels of capital expenditures for the Fiscal 1997 Period.

In the Fiscal 1997 Period, the Company invested approximately $1.2 million, including investments in leasehold improvements and equipment for existing stores and two (2) newly established stores. The Company funded these expenditures largely from cash flow provided by operating activities. The Company plans to open approximately 10 to 15 stores and remodel 5 to 10 stores in the next twelve months. The Company anticipates that cash flow from operations and funds available under its existing bank line of credit should be adequate to fund these capital expenditures and expected pawn loan growth during the coming year.

The company's current revolving line of credit agreement, which matures January 31, 1998, requires, among other things, that the Company meet certain financial covenants and provide the bank group a first lien security interest in certain assets of the Company. Borrowings under the line bear interest at the bank's Eurodollar rate plus one and one-half percent. The amount which the Company can borrow is based on a percentage of its inventory levels and outstanding pawn loan balance, up to $50.0 million. At December 31, 1996, the Company had $14.0 million outstanding on the credit facility and additional borrowing capacity of approximately $26.0 million.

Seasonality

Historically, pawn service charge revenues are highest in the Company's fiscal fourth quarter (July, August and September) due to higher loan demand during the summer months and merchandise sales are highest in the Company's fiscal first quarter (October, November and December) due to the holiday season.

PART II

Item 1. Legal Proceedings

On July 28, 1995, the Company terminated the Employment Agreement of Courtland L. Logue, Jr., the Company's former Chairman and Chief Executive Officer, and an owner of approximately 19% of the Company's outstanding voting securities (Class B Voting Common Stock). Since Mr. Logue's termination, the Company has had ongoing discussions with him concerning certain equipment leases between Mr. Logue and the Company, as well as the application of provisions to Mr. Logue's Employment Agreement and Stock Purchase Agreement with the Company. The Company believes these agreements require, among other things, a $2.7 million payment by Mr. Logue to the Company. On March 8, 1996, the Company filed a lawsuit styled EZCORP, Inc. v. Courtland L. Logue, Jr. in the 201st District Court of Travis County, Texas in an effort to bring resolution to this dispute. Mr. Logue has filed counter-claims relating to the Employment Agreement and certain equipment leases and notes entered into between Mr. Logue and the Company.

Item 2. Changes in Securities

Not Applicable

Item 3. Defaults Upon Senior Securities

Not Applicable

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

Not Applicable

Item 5. Other Information

Not Applicable

Item 6. Exhibits and Reports on Form 8-K

(a)

Exhibit Number	Description	Incorporated by Reference to
Exhibit 11.1	Statement Regarding Computation of Per Share Earnings	Filed herewith

(b) Reports on Form 8-K

The Company has not filed any reports on Form 8-K for the quarter ended December 31, 1996.

SIGNATURE

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.

EZCORP, INC.

(Registrant)

Date: February 12, 1997 By: /s/ DAN N. TONISSEN

(Signature)

Dan N. Tonissen
Senior Vice President and
Chief Financial Officer

5
1000

3-MOS
SEP-30-1997
DEC-31-1996
2793
0
46468
0
34673
88678
51704
17854
141246
11117
0
0
0
120
114810
141246
27100
45842
22512
42608
0
0
291
2943
1040
1903
0
0
0
1903
0.16
0.16

Exhibit 11.1

Statement Regarding Computation of Per Share Earnings
(Dollars and shares in thousands, except per share amounts)

	Three Months Ended December 31, 1996	Three Months Ended December 31, 1995
	(Unaudited)	
Primary and fully diluted		
Weighted average number of common shares outstanding during the period	11,993	11,981
Net effect of dilutive stock options - based on the treasury stock method using overall market price	0	0
Total shares	11,993	11,981
Net income	$ 1,903	$ 825
Earnings per sharea	$ 0.16	$ 0.07

a Earnings per share calculations assume exercise of all outstanding stock options and warrants using the treasury stock method of calculation. The per share calculation excludes these common equivalent shares as their effect is anti-dilutive.