SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For The Quarter Ended: September 30, 1997 Commission File Number 0-19672

American Superconductor Corporation
(Exact name of registrant as specified in its charter)

Delaware	04-2959321
(State or other jurisdiction of organization or incorporation)	(I.R.S. Employer Identification Number)

Two Technology Drive
Westborough, Massachusetts 01581
(Address of principal executive offices, including zip code)

(508) 836-4200
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock, par value $.01 per share	11,695,839
Class	Outstanding as of November 12, 1997

AMERICAN SUPERCONDUCTOR CORPORATION

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AMERICAN SUPERCONDUCTOR CORPORATION

CONSOLIDATED BALANCE SHEETS

	September 30, 1997 (unaudited)	March 31, 1997
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,649,189	$ 584,804
Accounts receivable	3,035,441	3,070,573
Notes receivable	421,124	383,607
Inventory	4,316,852	2,940,656
Prepaid expenses and other current assets	331,381	345,344
Total current assets	11,753,987	7,324,984
Property and equipment:		
Equipment	10,881,555	10,137,721
Furniture and fixtures	806,303	733,794
Leasehold improvements	1,800,529	1,732,215
	13,488,387	12,603,730
Less: accumulated depreciation	(9,865,780)	(8,835,754)
Property and equipment, net	3,622,607	3,767,976
Long-term marketable securities	10,404,552	15,446,106
Other assets	7,859	42,028
Total assets	$ 25,789,005	$ 26,581,094

	September 30, 1997 (unaudited)	March 31, 1997
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Note payable-line of credit	$ --	$ 530,000
Accounts payable and accrued expenses	2,684,212	4,283,612
Deferred revenue	551,547	1,519,678
Short-term notes	203,446	673,428
Total current liabilities	3,439,205	7,006,718
Long-term debt	3,141,792	3,073,663
Commitments	--	--
Stockholders' equity:		
Common stock ($.01 par); 20,000,000 shares authorized and 11,687,715 and 10,505,118 issued and outstanding at September 30, 1997 and March 31, 1997, respectively	116,877	105,051
Additional paid-in capital	86,532,364	76,388,679
Deferred compensation	(25,480)	(25,480)
Deferred contract costs	(477,653)	(557,265)
Unrealized gain/(loss) on investments	8,564	(143,661)
Cumulative translation adjustment	(17,052)	(9,892)
Accumulated deficit	(66,929,612)	(59,256,719)

Total stockholders' equity	19,208,008	16,500,713
Total liabilities and stockholders' equity	$ 25,789,005	$ 26,581,094

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

AMERICAN SUPERCONDUCTOR CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended September 30, 1997	Three Months Ended September 30, 1996	Six Months Ended September 30, 1997	Six Months Ended September 30, 1996
Revenues:				
Contract revenue	$ 1,685,795	$ 1,591,623	$ 2,789,239	$ 2,912,862
Product sales and prototype development contracts	1,190,431	560,209	3,355,712	1,914,173
Rental/other revenue	48,773	280,620	345,647	461,240
Total revenues	2,924,999	2,432,452	6,490,598	5,288,275
Costs and expenses:				
Costs of revenue	2,866,830	2,153,542	5,805,539	4,707,710
Research and development	1,486,278	2,170,547	3,452,832	4,616,319
Selling, general and administrative	1,474,712	1,007,267	2,982,035	2,523,666
Total costs and expenses	5,827,820	5,331,356	12,240,406	11,847,695
Transaction fees	(80,481)	0	(110,298)	0
Interest income	222,614	308,983	494,577	656,244
Interest expense	(60,544)	(86,000)	(136,536)	(178,315)
Other income (expense), net	17,729	1,993	(14,432)	(37,361)
Net loss	$ (2,803,503)	$ (2,673,928)	$ (5,516,497)	$ (6,118,852)
Net loss per common share	$ (0.24)	$ (0.25)	$ (0.48)	$ (0.58)
Weighted average number of common shares outstanding	11,647,901	10,497,269	11,609,523	10,495,238

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

AMERICAN SUPERCONDUCTOR CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Six Months Ended September 30, 1997	1996
Operating activities:		
Net loss	$ (5,516,497)	$ (6,118,852)
Adjustments to reconcile net loss to net cash from operations:		
Forgiveness of notes receivable	0	106,744
Depreciation and amortization	972,821	938,612
Loss on disposal of property and equipment	24,569	41,441
Deferred contract costs-warrants	79,612	39,806
Changes in operating asset and liability accounts:		
Accounts receivable	(505,837)	(882,224)
Inventory	(927,590)	462,832
Prepaid expenses and other current assets	8,416	104,419
Accounts payable and accrued expenses	(2,526,260)	(28,645)
Notes payable-line of credit	(875,000)	0
Deferred revenue	(1,610,248)	(491,830)
Total adjustments	(5,359,517)	291,155
Net cash used by operating activities	(10,876,014)	(5,827,697)
Investing activities:		
Notes receivable	(90,707)	(67,847)
Repayment of notes receivable	53,190	0
Purchase of property and equipment, net	(932,409)	(738,823)
Purchase of long-term marketable securities	(3,000,000)	0
Sale of long-term marketable securities	8,193,779	4,329,699
Decrease (increase) in other assets	34,169	(3,318)
Net cash provided by investing activities	4,258,022	3,519,711
Financing activities:		
Net proceeds from issuance of stock and warrants	10,155,511	85,205
Short-term notes	(469,982)	(51,102)
Long-term debt	4,692	595,000
Net cash provided by financing activities	9,690,221	629,103
Net increase (decrease) in cash and cash equivalents	3,072,229	(1,678,883)
Cash and cash equivalents at beginning of period	584,804	4,261,051
Effect of SI's excluded results	(7,844)	(142,308)
Cash and cash equivalents at end of period	$ 3,649,189	$ 2,439,860

The accompanying notes are an integral part
of the consolidated financial statements

AMERICAN SUPERCONDUCTOR CORPORATION

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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1. NATURE OF BUSINESS:

American Superconductor Corporation (the "Company"), which was formed on April 9, 1987, develops and commercializes high temperature superconducting ("HTS") wire, wire products and systems, including current leads, multistrand conductors, electromagnetic coils, and electromagnets and subsystems comprising electromagnetics integrated with appropriate cooling systems. The focus of the Company's development and commercialization efforts is on electrical equipment for use by electric utilities and industrial users of electrical power. For large-scale applications, the Company's development efforts are focused on power transmission cables, motors, transformers, generators and fault current limiters. In the area of power quality, the Company is focused on marketing and selling commercial low temperature superconducting magnetic energy storage ("SMES") devices, on development and commercialization of new SMES products, and on development of power electronic subsystems and engineering services for the power quality marketplace. The Company operates in one business segment.

The Company derives a substantial portion of its revenue from research and development contracts. A significant portion of this contract revenue relates to a development contract with one stockholder, Pirelli Cavi E Sistemi S.p.A.

2. BASIS OF PRESENTATION:

The accompanying consolidated financial statements are unaudited, except for those dated as of March 31, 1997, and have been prepared in accordance with generally accepted accounting principles. Certain information and footnote disclosure normally included in the Company's annual consolidated financial statements have been condensed or omitted. The interim consolidated financial statements, in the opinion of management, reflect all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the results for the interim periods ended September 30, 1997 and 1996 and the financial position at September 30, 1997.

The results of operations for the interim periods are not necessarily indicative of the results of operations to be expected for the fiscal year. It is suggested that these interim consolidated financial statements be read in conjunction with the audited consolidated financial statements for the year ended March 31, 1997 which are contained in the Company's Current Report on Form 8-K dated September 5, 1997 covering the year ended March 31, 1997.

On April 8, 1997 the Company completed a transaction (the "Merger") in which a subsidiary of the Company acquired all the outstanding stock of Superconductivity, Inc. ("SI"). These consolidated financial statements have been prepared following the pooling of interests method of accounting and reflect the combined financial position, operating results and cash flows of the Company and SI as if they had been combined for all periods presented. Prior to the merger, SI's fiscal year-end was December 31. Effective with the merger, SI's fiscal year-end was changed to March 31 to conform with the Company's fiscal year-end. The March 31, 1997

AMERICAN SUPERCONDUCTOR CORPORATION

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS, CONTINUED

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2. BASIS OF PRESENTATION - CONTINUED:

Consolidated Balance Sheet combines SI's audited balance sheet at December 31, 1996 with the Company's pre-merger audited balance sheet at March 31, 1997. As a result, SI's cash flow activity for the three months ended March 31, 1997 and 1996 is listed as "Effect of SI's excluded results" on the Consolidated Statement of Cash Flows to account for the difference in the beginning cash and cash equivalents between December 31 and March 31 of each year presented.

On July 31, 1997, the Company completed a transaction in which the Company acquired all the outstanding stock of Applied Engineering Technologies, Ltd. ("AET"). The transaction has been accounted for under the pooling of interests method of accounting. Due to the immaterial effect on the accompanying consolidated financial statements, the prior periods have not been adjusted to reflect the effect on the combined financial position, operating results and cash flows of the Company.

Included in "Costs of Revenue" are research and development expenses of approximately $1,478,000 and $1,271,000 for the three months ended September 30, 1997 and 1996, respectively, and $2,396,000 and $2,176,000 for the six months ended September 30, 1997 and 1996, respectively.

3. DEFERRED CONTRACT COSTS-WARRANTS:

In March of 1996, the Company entered into a strategic alliance with the Electric Power Research Institute (EPRI). Under this agreement a warrant for 100,000 shares of common stock of the Company was granted and becomes exercisable over a five-year period following the date of grant. In connection with the issuance of this warrant, the Company recorded an increase to additional paid-in capital and a corresponding charge to Deferred Contract Costs of approximately $637,000 in the first quarter ended June 30, 1996. This amount is being expensed over five years. Warrant expense related to this transaction was approximately $40,000 for the three months ended September 30, 1997 and $80,000 for the six months ended September 30, 1997.

4. NET LOSS PER COMMON SHARE:

Net loss per common share is computed based upon the weighted average number of common shares outstanding.

5. COST-SHARING AGREEMENTS:

For the six months ended September 30, 1997, the Company received funding of $803,000 under a government cost-sharing agreement with the Department of Energy. This funding was used to directly offset research and development and selling, general and administrative expenses.

AMERICAN SUPERCONDUCTOR CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 1997

RESULTS OF OPERATIONS

The Company's results for the prior-year period have been restated to reflect the acquisition of Superconductivity, Inc. ("SI") on April 8, 1997. The Company's prior year results have not been adjusted to reflect the July 31, 1997 acquisition of Applied Engineering Technologies Ltd. ("AET"), as the effect of this transaction is not material to the consolidated financial statements.

Revenues during the three months ended September 30, 1997 were $2,925,000 compared to $2,432,000 for the same period in 1996. For the six months ended September 30, 1997, revenues were $6,491,000 as compared to $5,288,000 for the comparable period in 1996. Second quarter revenues were positively affected by the recognition of revenue on two new contracts with the Department of the Navy and the Electric Power Research Institute ("EPRI"). Revenues for the first half of the year were also positively affected by SI's sale of a PQ DC(TM) SMES system to Tinker Air Force Base in Oklahoma in the first quarter and SI's sale of a PQ VR(TM) SMES system to Eskom in South Africa in the second quarter.

For the three months ended September 30, 1997, the Company also recorded funding of $354,000 under government cost-sharing agreements. Funding under cost-sharing agreements for the three months ended September 30, 1996 was $806,000. For the six months ended September 30, 1997, funding under government cost-sharing agreements was $803,000 as compared to $877,000 for the comparable period in 1996. The Company anticipates that a portion of its funding in the future will continue to come from cost-sharing agreements as the Company continues to develop joint programs with government agencies. Funding from government cost-sharing agreements is recorded as an offset to research and development and selling, general and administrative expenses, as required by government contract accounting guidelines, rather than as revenues.

The Company's total operating expenses for the three months ended September 30, 1997 were $5,828,000, compared to $5,331,000 for the same period last year. Operating expenses for the first six months of the current fiscal year were $12,240,000, compared to $11,848,000 for the same period last year.

For the second quarter ended September 30, 1997, costs of revenue increased to $2,867,000 from $2,154,000 for the same period a year earlier, reflecting the costs associated with the revenue under the U. S. Navy and EPRI contracts. Year-to-date costs of revenue were $5,806,000 compared to $4,708,000 for the same period last year. This increase primarily reflects the higher costs of revenue associated with SI's sale of the PQ DC(TM) SMES system to Tinker Air Force Base and the costs of revenue associated with the Navy and EPRI contracts.

AMERICAN SUPERCONDUCTOR CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 1997

Research and development ("R&D") expenses declined to $1,486,000 during the second quarter from $2,171,000 a year earlier. For the first six months of fiscal year 1998, R&D expenses were $3,453,000 compared to $4,616,000 for the same period last year. These decreases were primarily the result of certain R&D expenses that were incurred in the first six months of the current fiscal year but which have been deferred pending the receipt of a cost-reimbursement R&D contract, which is expected to be retroactive to April 1, 1997. The Company anticipates finalizing this contract and recognizing the attendant revenues and expenses within the current fiscal year. The R&D amounts offset by cost-sharing funding were $182,000 and $415,000 for the second quarter of fiscal years 1998 and 1997, respectively. For the six months ended September 30, 1997, this amount was $414,000 as compared to $451,000 for the comparable period in 1996. In addition, certain R&D expenditures related to externally funded development contracts have been classified as costs of revenue (rather than as R&D expenses). R&D expenditures included as costs of revenue for the three and six-month periods ended September 30, 1997 were $1,478,000 and $2,396,000 respectively, compared to $1,271,000 and $2,176,000 for the same periods last year.

Selling, general and administrative ("SG&A") expenses for the quarter ended September 30, 1997 were $1,475,000 compared to $1,007,000 for the same period the prior year. On a year-to-date basis, selling, general and administrative expenses were $2,982,000 compared to $2,524,000 for the same period a year earlier. These increases were primarily due to additional recruiting, legal, consulting, and marketing expenses incurred to support the overall increase in the Company's revenues and internal research and development activities. The SG&A amounts offset by cost-sharing funding were $171,000 and $391,000 in the second quarter of fiscal years 1998 and 1997, respectively. For the six months ended September 30, 1997, this amount was $389,000 as compared to $426,000 for the comparable period in 1996. In addition, certain SG&A expenditures related to externally funded development contracts have been classified as costs of revenue (rather than as SG&A expenses). Such indirect costs included in costs of revenue during the three and six month periods ended September 30, 1997 were $680,000 and $1,087,000, respectively. For the three and six month periods ended September 30, 1996, these costs were $414,000 and $825,000, respectively.

Transaction fees of $110,000 through September 30, 1997 reflect certain legal and accounting fees incurred this fiscal year associated with the acquisitions of SI on April 8, 1997 ($66,000) and AET on July 31, 1997 ($44,000).

Interest income was $223,000 in the quarter ended September 30, 1997 compared to $309,000 for the same period in the previous year. For the six month periods ended September 30, 1997 and 1996, interest income was $495,000 and $656,000 respectively. This decrease primarily reflects lower cash balances available for investment as a result of cash being used to fund the Company's operations and to purchase property and equipment.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS FOR THE
SIX MONTHS ENDED SEPTEMBER 30, 1997

The Company expects to continue to incur operating losses for at least the next few years, as it continues to devote significant financial resources to its research and development activities and commercialization efforts.

The Company expects to be party to agreements which, from time to time, may result in costs incurred exceeding expected revenues under such contracts. The Company may enter into such agreements for a variety of reasons including, but not limited to, entering new product application areas, furthering the development of key technologies, and advancing the demonstration of commercial prototypes in critical market applications.

Please refer to the "Future Operating Results" section of the Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Company's current report on Form 8-K dated September 5, 1997 covering the fiscal year ended March 31, 1997 for a discussion of certain factors that may affect the Company's future results of operation and financial condition.

AMERICAN SUPERCONDUCTOR CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 1997

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 1997, the Company had cash, cash equivalents and long-term marketable securities of $14,054,000 compared to $16,031,000 at March 31, 1997. This change was the result of a $10,000,000 equity investment in the Company on April 7, 1997 by a subsidiary of Electricite de France, partially offset by the payment of approximately $4,400,000 related to the investment banking and legal fees associated with the Company's April 8, 1997 acquisition of SI and the retirement of various SI liabilities. Cash consumed by the acquisition of AET on July 31, 1997 amounted to $121,000, primarily for the retirement of certain AET bank debts. The other principal uses of cash during the six months ended September 30, 1997 were the funding of the Company's operations and the acquisition of capital equipment, primarily for research and development and manufacturing.

The Company believes that several years of further development will be necessary before HTS wires and related products are available for significant commercial applications. Management believes that revenues from funded development contracts and the sale of prototypes and its cash, cash equivalents and long-term marketable securities and interest thereon should provide a significant portion of the funding to meet the Company's cash requirements for its planned operations for the next year, including the needs of the Company's recently-acquired businesses (SI and AET). The Company is currently considering various alternatives for funding future working capital needs.

To date, inflation has not had a material impact on the Company's financial results.

AMERICAN SUPERCONDUCTOR CORPORATION

PART II

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 2. CHANGES IN SECURITIES

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the Company's Annual Meeting of Stockholders held on September 5, 1997, the following proposals were adopted by the vote specified below:

Proposal	For	Withheld Authority to Vote For All Nominees
1. Election of Directors		
Gregory J. Yurek	9,828,531	8,649
Albert J. Baciocco, Jr.	9,827,231	9,949
Frank Borman	9,827,031	10,149
Peter O. Crisp	9,828,331	8,849
Richard Drouin	9,828,331	8,849
Gerard Menjon	9,827,731	9,449
Andrew G.C. Sage, II	9,828,531	8,649
John Vander Sande	9,828,531	8,649

	For	Against	Abstain
2. Approval of the 1997 Director Stock Option Plan	9,234,852	579,370	22,958

	For	Against	Abstain
3. Ratification of Independent Auditors	9,806,090	12,598	18,492

Please see the Company's Proxy Statement filed with the Commission in connection with this Annual Meeting for a description of the matters voted upon.

AMERICAN SUPERCONDUCTOR CORPORATION

PART II

OTHER INFORMATION

Item 5. OTHER INFORMATION

None

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

Exhibit 27.1 Financial Data Schedule

The Company filed a Current Report on Form 8-K dated September 5, 1997. Such Current Report on Form 8-K relates to the Company's acquisition of SI and includes the restated financial statements of the Company giving effect to such acquisition.

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.

AMERICAN SUPERCONDUCTOR CORPORATION

November 14, 1997	/s/ Gregory J. Yurek
Date	Gregory J. Yurek Chairman of the Board, President and Chief Executive Officer
November 14, 1997	/s/ Thomas M. Rosa
Date	Thomas M. Rosa Corporate Controller (chief accounting officer)

5
1000
U.S. DOLLARS

3-MOS
MAR-31-1998
JUL-01-1997
SEP-30-1997
1
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(2,804)
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