

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 22, 1996

FM PROPERTIES INC.

Delaware
(State or other
jurisdiction of
incorporation or
organization)

0-19989
(Commission File Number)

72-1211572
(IRS Employer
Identification
Number)

1615 Poydras Street

New Orleans, Louisiana 70112

Registrant's telephone number, including area code: (504) 582-4000

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The undersigned registrant hereby amends its Current Report on Form 8-K dated August 22, 1996, with the pages attached hereto:

Item 2. Sale of Barton Creek Country Club and Conference Resort

On August 22, 1996, FM Properties Inc. (FMPO) which operates through its 99.8 percent interest in FM Properties Operating Co. (the Partnership), sold the Partnership's Barton Creek Country Club and Conference Resort for \$25 million cash and other consideration to an affiliate of ClubCorp International of Dallas, Texas. The club and conference resort properties, which had been operated by an affiliate of ClubCorp under a long-term lease agreement with a purchase option, consist of the Barton Creek Country Club, Spa and Conference Center located near Austin, Texas along with its Tom Fazio and Ben Crenshaw designed golf courses. Also included was the Barton Creek - Lakeside Country Club and its Arnold Palmer designed golf course northwest of Austin on Lake Travis.

The proceeds from the sale were used to reduce the Partnership's debt and the transaction resulted in no financial accounting gain or loss.

Item 7. Pro Forma Financial Statements

FM PROPERTIES INC. (1)
 Unaudited Pro Forma Statement Of Operations
 Year Ended December 31, 1995

	Pro Forma Adjustments			Pro Forma
	Historical	Resort Sale	Less Historical Resort Operations	
(In Thousands, Except Per Share Amounts)				
Loss from the Partnership	\$ (571)	\$ -	\$ (706)	\$ (1,277)
General and administrative expenses	(1,796)	-	-	(1,796)
Operating loss	(2,367)	-	(706)	(3,073)
Other expense, net	(173)	-	-	(173)
Loss before income tax benefit	(2,540)	-	(706)	(3,246)
Income tax benefit	2,693	-	-	2,693
Net income (loss)	\$ 153	\$ -	\$ (706)	\$ (553)
Net income (loss) per share	\$0.01			\$ (0.04)
Average shares outstanding	14,286			14,286

(1) Reflects FMPO's interest in the Partnership under the equity basis of accounting.

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FM PROPERTIES INC. (1)
 Unaudited Pro Forma Statement Of Operations
 Six Months Ended June 30, 1996

	Pro Forma Adjustments			Pro Forma
	Historical	Resort Sale	Less Historical Resort Operations	
(In Thousands, Except Per Share Amounts)				
Income (loss) from the Partnership	\$ (306)	\$ -	\$ 710	\$ 404
General and administrative expenses	(88)	-	-	(88)
Operating income (loss)	(394)	-	710	316

Income taxes	-	-	-	-
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Net income (loss)	\$ (394)	\$ -	\$ 710	\$ 316
	=====	=====	=====	=====
Net income (loss) per share	\$ (0.03)			\$ 0.02
	=====			=====
Average shares outstanding	14,368			14,368
	=====			=====

(1) Reflects FMPO's interest in the Partnership under the equity basis of accounting.

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FM PROPERTIES INC. (1)
Unaudited Pro Forma Condensed Balance Sheet
June 30, 1996

	Historical	Pro Forma Adjustments		Pro Forma
		Resort Sale	Other	
	-----	-----	-----	-----
	(In Thousands)			
ASSETS				
Current assets:				
Accounts receivable and other	\$ 38	\$ -	\$ -	\$ 38
Amounts receivable from the Partnership	1,642	-	-	1,642
Income tax receivable	2,740	-	-	2,740
	-----	-----	-----	-----
Total current assets	4,420	-	-	4,420
Investment in the Partnership	56,095	-	-	56,095
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Total assets	\$ 60,515	\$ -	\$ -	\$ 60,515
	=====	=====	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Other liabilities and deferred credits	\$ 1,386	\$ -	\$ -	\$ 1,386
Stockholders' equity	59,129	-	-	59,129
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Total liabilities and stockholders' equity	\$ 60,515	\$ -	\$ -	\$ 60,515
	=====	=====	=====	=====

(1) Reflects FMPO's interest in the Partnership under the equity basis of accounting.

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FM Properties Inc.
Notes to Pro Forma Financial Statements

The accompanying Pro Forma Statements of Operations have been prepared assuming the transaction discussed below occurred on January 1, 1995, whereas the Pro Forma Condensed Balance Sheet assumes the transaction occurred on June 30, 1996. The pro forma financial statements are not necessarily indicative of the actual results that would have been achieved nor are they indicative of future results.

1. Resort Sale

On August 22, 1996, FM Properties Operating Co. (the Partnership), which is owned 99.8 percent by FM Properties Inc. and 0.2 percent by the Managing General Partner Freeport-McMoRan Inc., sold the Barton Creek Country Club and Conference Resort (the Resort), located near Austin, Texas, to ClubCorp International (ClubCorp) for \$25 million in cash (plus \$2.7 million for accounts receivable). No gain or loss was recognized on the sale and the proceeds received were used to reduce the Partnership's debt.

Historical results of the Resort recognized by FMPO were eliminated. Additionally, as sales proceeds were used to reduce the Partnership's debt, interest expense incurred by the Partnership was eliminated using the historical interest rate.

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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.

FM PROPERTIES INC.

By: /s/ William J. Blackwell

William J. Blackwell
Vice President and Controller
(authorized signatory and
Principal Accounting Officer)

Date: May 22, 1997

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