SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A

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

For the Quarter Ended March 31, 1996

Commission File Number: 0-19989

FM Properties Inc.

Incorporated in Delaware 72-1211572
(IRS Employer Identification No.)
1615 Poydras Street, New Orleans, Louisiana 70112

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

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

On March 31, 1996, there were issued and outstanding 14,285,770 shares of the registrant's Common Stock, par value $0.01 per share.

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FM PROPERTIES INC.

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements.

FM PROPERTIES INC.
CONDENSED BALANCE SHEETS
(Unaudited)

	March 31, 1996	December 31, 1995
	(In Thousands)	
ASSETS		
Current assets:		
Accounts receivable and other	$ 65	$ 298
Income tax receivable	2,693	2,693
Amounts receivable from the Partnership	1,709	1,505
Total current assets	4,467	4,496
Investment in the Partnership (Note 1)	55,536	56,401
Total assets	$ 60,003	$ 60,897
LIABILITIES AND STOCKHOLDERS' EQUITY		
Other liabilities	$ 1,374	$ 1,374
Stockholders' equity	58,629	59,523
Total liabilities and stockholders' equity	$ 60,003	$ 60,897

STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31, 1996	Three Months Ended March 31, 1995
	(In Thousands, Except Per Share Amounts)	
Loss from the Partnership (Note 1)	$ (865)	$ (2,131)
General and administrative expenses	(29)	(710)
Operating loss	(894)	(2,841)
Other income, net	-	1
Net loss	$ (894)	$ (2,840)
Net loss per share	$(.06)	$(.20)
Average shares outstanding	14,286	14,286

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

FM PROPERTIES INC.
STATEMENTS OF CASH FLOW
(Unaudited)

	Three Months Ended March 31,	
	1996	1995
	(In Thousands)	
Cash flow from operating activities:		
Net loss	$ (894)	$ (2,840)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Excess of equity in losses of the Partnership over distributions received	865	2,131
Decrease in working capital	29	709
Cash flow from operating activities	-	-
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of period	$ -	$ -

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

FM PROPERTIES INC.
NOTES TO FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

FM Properties Inc. (FMPO) operates through its 99.8 percent interest in FM Properties Operating Co. (the Partnership), with 0.2 percent owned by the Managing General Partner, Freeport-McMoRan Inc. (FTX). FTX and Freeport-McMoRan Copper & Gold Inc. (FCX) guarantee the Partnership's debt. During 1996, following discussions with the staff of the Securities and Exchange Commission, FMPO determined that, because of the rights that FTX retains in connection with its guarantee of the Partnership's debt, it would be more appropriate to reflect its interest in the Partnership under the equity basis of accounting (prior year consolidated financial information has been restated to reflect this presentation). However, if the guarantees are eliminated, FMPO will have the authority to remove FTX as the Managing General Partner and FTX's rights with respect to the Partnership and FMPO would be eliminated. FMPO has no significant operations or source of funds other than its interest in the Partnership. The Partnership's financial statements follow:

BALANCE SHEETS

	March 31, 1996	December 31, 1995
ASSETS	(In Thousands)	
Current assets:		
Cash and cash equivalents	$ 711	$ 2,282
Accounts receivable and other	4,433	4,318
Total current assets	5,144	6,600
Real estate and facilities, net	170,534	180,040
Other assets	6,726	5,165

Total assets	$ 182,404	$ 191,805
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities:		
Accounts payable and accrued liabilities	$ 4,858	$ 8,100
Amounts due to FMPO	1,709	1,505
Current portion of long-term debt	29,294	-
Total current liabilities	35,861	9,605
Long-term debt	87,000	121,294
Other liabilities	3,894	4,392
Partners' capital	55,649	56,514
Total liabilities and partners' capital	$ 182,404	$ 191,805

STATEMENTS OF OPERATIONS

	Three Months Ended March 31,	
	1996	1995
	(In Thousands)	
Revenues	$ 13,829	$ 4,382
Costs and expenses:		
Cost of sales	13,313	5,870
General and administrative expenses	607	470
Total costs and expenses	13,920	6,340
Operating loss	(91)	(1,958)
Interest expense, net	(734)	(184)
Other income (expense), net	(40)	11
Net loss	$ (865)	$ (2,131)

STATEMENTS OF CASH FLOW

	Three Months Ended March 31,	
	1996	1995
	(In Thousands)	
Cash flow from operating activities:		
Net loss	$ (865)	$ (2,131)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Cost of real estate sales and depreciation and amortization	12,128	2,268
(Increase) decrease in working capital:		
Accounts receivable and other	(1,615)	(608)
Accounts payable and accrued liabilities	(3,553)	2,128
Net cash provided by operating activities	6,095	1,657
Cash flow from investing activities:		
Real estate and facilities (a)	(2,606)	(5,721)
Net cash used in investing activities	(2,606)	(5,721)

Cash flow from financing activities:		
Proceeds from debt	1,000	4,000
Repayment of debt	(6,000)	-
Net cash provided by (used in) financing activities	(5,000)	4,000
Net decrease in cash and cash equivalents	(1,511)	(64)
Cash and cash equivalents at beginning of year	2,282	1,200
Cash and cash equivalents at end of period	$ 771	$ 1,136

a. Includes capitalized interest of $1.6 million in the 1996 period and $3.2 million in the 1995 period.

Remarks

The information furnished herein should be read in conjunction with FMPO's financial statements contained in its 1995 Annual Report to stockholders included in its Annual Report on Form 10-K.

The information furnished herein reflects all adjustments which are, in the opinion of management, necessary for a fair statement of the results for the periods. All such adjustments are, in the opinion of management, of a normal recurring nature.

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

OVERVIEW

FM Properties Inc. (FMPO) operates through its 99.8 percent interest in FM Properties Operating Co. (the Partnership), with 0.2 percent owned by the Managing General Partner, Freeport-McMoRan Inc. (FTX). FTX and Freeport-McMoRan Copper & Gold Inc. (FCX) guarantee the Partnership's debt. During 1996, following discussions with the staff of the Securities and Exchange Commission, FMPO determined that, because of the rights that FTX retains in connection with its guarantee of the Partnership's debt, it would be more appropriate to reflect its interest in the Partnership under the equity basis of accounting (prior year consolidated financial information has been restated to reflect this presentation). However, if the guarantees are eliminated, FMPO will have the authority to remove FTX as the Managing General Partner and FTX's rights with respect to the Partnership and FMPO would be eliminated.

During the quarter, the Partnership began to capitalize on the enhanced sales opportunities at its Austin, Texas property holdings that resulted from a series of legislative and judicial developments which occurred in 1995 (discussed in FMPO's 1995 Annual Report to Stockholders). The Partnership completed a $1.9 million sale of a 25 acre undeveloped tract within the Barton Creek Development, its first under the Water Quality Protection Zone legislation enacted in late 1995. Subsequent to the end of the first quarter, the Partnership sold a second undeveloped tract totaling 79 acres for $2.9 million. Selling undeveloped tracts to sub-developers is an integral part of FMPO's business strategy for the Barton Creek Development, as these transactions provide funds to reduce debt, lower future carrying and development costs and establish values for the Partnership's remaining properties within Barton Creek.

The Partnership's intensified marketing efforts to sell its Dallas, Houston and San Antonio properties resulted in first-quarter 1996 sales from these areas which exceeded sales from the 1995 period. These efforts have also generated sales contracts scheduled for completion throughout the remainder of 1996.

Additionally, opportunities for significant transactions involving the Partnership's properties may arise. In the past, permitting and development uncertainties caused valuation assessment obstacles that kept FMPO from successfully completing negotiations involving significant transactions. However, as the Partnership experiences success in establishing values for its properties, FMPO can expect opportunities to consider significant transactions involving its properties.

RESULTS OF OPERATIONS

	First Quarter	
	1996	1995
	(In Thousands)	
Loss from the Partnership	$ (865)	$ (2,131)
Operating loss	(894)	(2,841)
Net loss	(894)	(2,840)

FMPO has no significant operations or source of funds other than its interest in the Partnership. Accordingly, the following discussion and analysis addresses the results of operations and the capital resources and liquidity of the Partnership. The Partnership's summary operating results follow:

	First Quarter	
	1996	1995
	(In Thousands)	
Revenues	$ 13,829	$ 4,382
Operating loss	(91)	(1,958)
Net loss	(865)	(2,131)

Revenues for the 1996 quarter totaled $13.8 million consisting of $4.3 million from the sale of 76 developed single-family homesites and $9.5 million primarily from the sale of 156 acres of undeveloped commercial and residential properties. Revenues for the 1995 period totaled $4.4 million consisting of $4.3 million from the sale of 90 developed single-family homesites and $0.1 million from the sale of 6 undeveloped acres. Higher revenues reflect the increase in FMPO's real estate activity following the

settlement of the Austin area development issues, discussed above, as well as favorable real estate markets and interest rates.

General and administrative expenses of the Partnership, combined with those incurred by FMPO, were reduced to $0.6 million for the first quarter of 1996, compared with $1.2 million for the 1995 period, as a result of steps taken in the third quarter of 1995 to reduce costs.

FMPO's current business strategy includes the sale of larger undeveloped tracts of land. These transactions by their nature can cause significant variations in FMPO's revenues and operating income during a particular accounting period. As a result, significant fluctuations in FMPO's future operating results can be expected in any given quarter which may cause future operating losses to be incurred. Consequently, past operating results are not necessarily indicative of trends in profitability.

CAPITAL RESOURCES AND LIQUIDITY

During 1995, the Partnership extended its debt maturities until 1997. The Partnership has the potential to achieve significant debt reductions prior to any required principal payments. However, these reductions are dependent on the future cash flow from the Partnership's assets, which is subject to numerous economic and other factors, including factors beyond FMPO's control. There can be no assurance that the Partnership will generate cash flow or obtain funds sufficient to make required interest and principal payments.

FMPO continues to seek a permanent financial restructuring, which may include issuing new debt or equity investments, and believes that the planned reduction of the Partnership's debt will significantly improve its alternatives. An objective in arranging new financing for FMPO will be to eliminate the guarantees of its debt by FTX and FCX. These debt guarantees were extended in connection with the extension of the Partnership's debt maturities; however, there are currently no arrangements for any further guarantee extensions. While FMPO believes any new financing will be beneficial to the long-term interests of its shareholders, an elimination of the guarantees would be expected to increase financing costs significantly. The extent of any refinancing, including any need to sell properties in connection therewith, will determine the future net cash flow available to FMPO to recover its investment in the Partnership.

The results of operations reported and summarized above are not necessarily indicative of future operating results.

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 21, 1997

FM PROPERTIES INC.

EXHIBIT INDEX

Number	Description	Sequentially Numbered Page
27.1	Financial Data Schedule	

<ARTICLE> 5
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First quarter 1996 and 1995 amounts contained in this amended 10-Q/A have been restated to reflect FM Properties Inc.'s investement in the Partnership under the equity basis of accounting. FM Properties Inc. had previously consolidated the 99.8% owned Partnership.
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