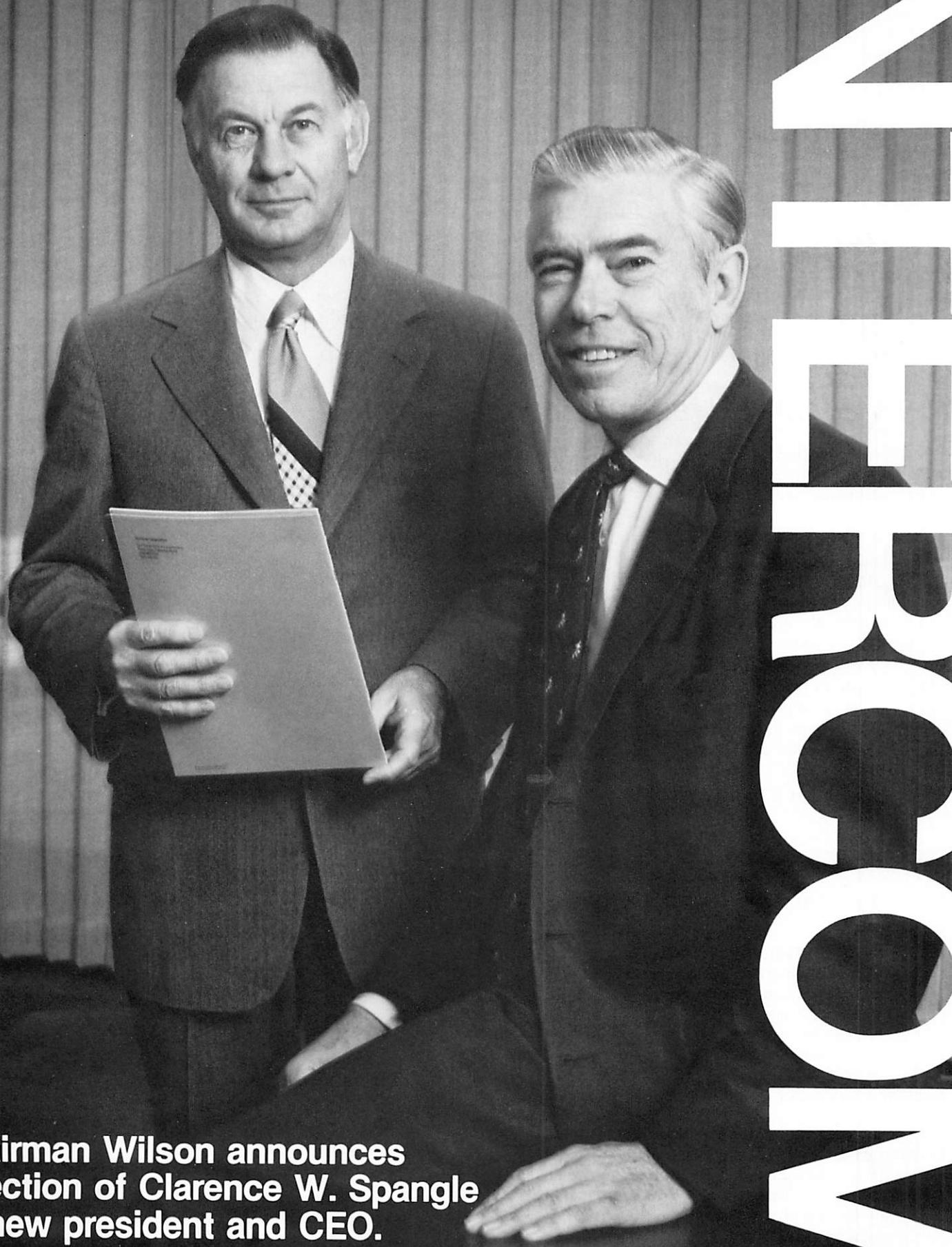


A newsmagazine for Memorex people everywhere
Volume 17 Number 1 February 1980

INTERCOM



**Chairman Wilson announces
selection of Clarence W. Spangle
as new president and CEO.**

THE COMPUTER HISTORY MUSEUM

1 027 4530 1

\$2.5 million goes to employee share plan; benefit plans improved

For 1979, the company will contribute \$2.5 million in newly issued stock to the Memorex Share Plan, one of two stock plans which enable employees to acquire Memorex common stock at no cost to them.

Employees with one year's service are participants in the Share Plan. Participants will receive voting cards to indicate to the trustee for the plan, Bankers Trust Company, how shares credited to their accounts should be voted in the April 23 shareholders meeting. Participants also will receive statements showing the status of their accounts.

An important change in the contribution formula for this year benefits employees in spite of the fact that the Social Security base increased from

\$22,900 to \$25,900 for 1980. For 1980, eligible employees will receive two percent of total compensation plus two percent of compensation exceeding 80 percent (It was 100 percent) of the Social Security wage base.

The second employee share plan is the Tax Reduction Act Stock Ownership Plan, whereby the company receives a tax credit equal to its contribution to an employee stock fund. The 1978 common stock contribution to the program totaled \$514,803, with 2,654 employees participating.

Principal improvements in other benefit programs for 1980 include the following:

- Dental plan—orthodontic treat-

ment at 50 percent of eligible expenses to a special lifetime maximum of \$1,000 per person.

- Medical plan—100 percent coverage for pre-admission tests within seven days of hospitalization plus an annual family deductible of a maximum \$300 combined deductible expenses.

- Group life insurance—increase in basic life insurance for non-exempt employee to one times base salary, with a minimum of \$10,000.

- Long-term disability—guaranteed minimum monthly payment of \$50 if disability income from other non-sickpay sources exceeds long-term disability benefit.

Memorex benefits are constantly reviewed to make sure they are competitive and in pace with changing legislative and social conditions. Among improvements made in recent years are: a company-paid pension plan, an expanded educational program providing annual tuition reimbursement up to \$1,200, an employee monthly stock investment plan and an alternative health care plan—health maintenance organization (HMO).

Other improvements are: an expanded medical and dental benefits plan, four weeks vacation after 15 years service, a voluntary accidental death and dismemberment insurance plan, a voluntary short-term disability plan for employees residing in states not covered by a compulsory state disability plan, a credit union and a medical and life insurance plan for retired employees.

Net income and revenue reported for 1979

Memorex reported net income in 1979 of \$31.5 million, or \$3.91 per share, compared with 1978 income before extraordinary credit of \$41.9 million, or \$5.64 per share.

Revenue for 1979 was \$737.8 million, or \$104.5 million higher than the preceding year. Revenue for the fourth quarter of 1979 totaled \$193.5 million, an increase of \$10.2 million over the comparable 1978 period.

Net income in the fourth quarter of 1979 was \$2.2 million, or \$.20 per share, compared with net income in the same 1978 period of \$12.4 million, or \$1.56 per share.

Chairman Robert C. Wilson attrib-

uted the lower earnings to: pricing pressures and other competitive factors, difficulties associated with production of certain products which increased costs and constrained product availability, softness in domestic orders, increased inventory costs and inflationary cost increases.

Mr. Wilson said actions are being taken to address all of these matters. Although pricing pressures appear to be moderating, some of the other pressures will continue to impact the company well into 1980. He indicated that international order rates for equipment and worldwide demand for computer media products continue to be strong.

Communications Group appoints new marketing V-P

Paul Klein has joined Memorex's Communications Group as its marketing vice-president. He is responsible for all group marketing activities, including sales, product and business planning, market research, advertising and promotion, customer service, competitive analysis, product marketing, OEM (Original Equipment Manufacturer) and distributor activities and field engineering support.

Klein comes to Memorex from the Data Systems Division of Cummins-Allison, a manufacturer of terminals and associated software for the financial industry. He was senior vice-president of marketing for the division.

In his new post at Memorex, Klein reports directly to Communications Group President Richard Martin.



Klein

On the cover: Clarence W. Spangle, left, and Chairman Robert C. Wilson posed for this photo shortly after the announcement of Mr. Spangle's selection as Memorex's new president and chief executive officer.

INTERCOM

Editor, Benedict Paulicka.
Published by the Corporate Public Relations Department, Memorex Corporation, Mail Stop 12-19, San Tomas at Central Expressway, Santa Clara, Calif., 95052. Telephone: (408) 987-2916, Telex: 334-492.

New CEO's experience spans more than 20 years in industry

Chairman Robert C. Wilson has announced the selection of Clarence (Clancy) W. Spangle as Memorex's new president and chief executive officer effective March 1. At that time the new executive also will be elected to the company's board of directors. Mr. Spangle comes to Memorex from Honeywell Inc. in Minneapolis, Minn., where he was president of Honeywell Information Systems, which comprises the company's computer operations.

"Mr. Spangle was selected after an extensive search which included consideration of a large number of highly qualified business leaders on a worldwide basis," said Mr. Wilson. "High standards were established for the candidates, including extensive general management experience in a high technology, high growth, multi-national, disciplined and decentralized environment. The specifications required broad experience in strategic planning and product planning as well as impeccable integrity and personal qualifications. Clancy Spangle meets those qualifications and brings more than 20 years of experience to Memorex.

"I will remain as a Memorex director and will continue to serve as chairman until such time as Clancy assumes that post. This will give us the opportunity for a smooth transition and help acquaint Clancy with our people and businesses. Clancy is an excellent choice for Memorex. He will provide the leadership necessary to build the Memorex of the 1980s. In addition, he is a fine human being, and I know Memorex employees will enjoy working with him."

Mr. Spangle had been in charge of Honeywell's computer operations from 1969, and he was elected president of Honeywell Information Systems in 1974. The subsidiary was formed as a result of a merger between the Honeywell and General Electric computer businesses. Honeywell Information Systems reported revenues in excess of \$1.2 billion in 1978. The firm's products include large, medium and small computers, communications equipment and media.

In addition, Mr. Spangle was an executive vice-president of Honeywell, and he served on the company's board of directors. He was closely associated with Honeywell's extensive research and development efforts, its activities in



President and Chief Executive Officer Clarence W. Spangle

intelligent controls and its other commercial businesses.

Memorex's new president and chief executive officer has extensive international experience. From 1956 through 1965, he lived in Germany and England while managing Honeywell businesses in those two countries. His career in the computer industry spans more than 20 years in a variety of capacities with Honeywell in both Europe and the United States.

Mr. Spangle is a director of First Bank Systems Inc. and Gelco Corp. He serves on the board of the Guthrie Theater Foundation and as a trustee of the Charles Babbage Institute. He also is a past chairman of the Computer Business Equipment Manufacturers Association. The 55-year-old executive graduated from Yale University in 1945 with a mechanical engineering degree, and in 1952 he earned a doctor of jurisprudence degree from George Washington University in the District of Columbia. He served as a commissioned officer in the U.S. Navy during World War II.

Five CMG executives named vice-presidents

Five Computer Media Group executives have been appointed to newly created vice-president and general manager positions. They are: William P. Sousa, vice-president and general manager, Recording Components Division; H. Frederick Koehler, vice-president and general manager, Computer Tape Division; Anthony P. Mauro, vice-president and general manager, Precision Plastics Division; Raymond E. Valle, vice-president and general manager, CFI Division; and E. Jack Jones, vice-president and general manager, Flexible Disc Media Division.



Sousa



Koehler



Mauro



Valle



Jones

In his announcement of the appointments, Computer Media Group President Jack King said, "Each of these five divisions has contributed significantly to the company's technical and marketing leadership in the computer media business

worldwide. The creation of the new management positions and the appointment of these five, highly qualified executives will enable Memorex to provide even greater focus and leadership in these high-growth product areas in the future."



Left, Simpson answers question from Don Ravey, in vest. Right, Martin speaks to Communications employees.

LSS and Communications employees told 1980 holds many opportunities

The year 1980 holds more opportunities than any other period in the Large Storage Systems Group's history. That was the message delivered by LSS President James Simpson, who held a series of employee meetings for his group last month.

In similar meetings in late 1979, Communications Group President Richard Martin told his group the "outlook for 1980 is very positive and very strong. We are in the fastest growing area of the computer industry. It is an exciting place to be, with many opportunities."

Simpson said the LSS order backlog "is stronger than it has been for the last two years. We have customers waiting to take and, I'm delighted to say, pay for every 3650 product and 3652 product we can build.

"It now appears that the 322X tape drive product line's life has been extended for two or three years since neither we nor our competitors have

been able to present a value alternative to our 6250-BPI tape product line."

In other remarks, Simpson said a number of Memorex's products have become "the quality standards in the industry. Recently, an independent customer rating service put Memorex ahead of both IBM and Storage Technology Corp. in disc drives and tape drives. In many cases, we offer products or systems that give the customer better performance, product life and return for investment than any of our competitors, including IBM."

In his remarks, Martin told his group that "Memorex is second only to IBM in the installed base in the TCU (transmission control unit) area." He said Memorex's 2078 (next generation terminal) and 2076 (new controller) are on schedule and these products "will help us in our competition with IBM."

He said the group had hired a number of excellent people, and he

asked all Communications employees for maximum cooperation within the group and outside the group. Martin stressed the importance of improved communications among group personnel. He said he would be holding employee meetings quarterly to answer questions. His group has introduced a group employee newsletter, *Online*, in addition to the group's quarterly publication, *The Communicator*. He also encouraged employees to participate in a program of small discussion groups.

He said other areas to be added or upgraded in 1980 included: a field asset tracking system, a computer-aided design system, the group's Quality Circle program, mechanized testing, the group's own sales force, product planning teams, a document center and a communications technology center (a research and development facility patterned after the company's Magnetic and Chemical Technology Center and its Recording Technology Center).

222 million persons expected to be counted in 1980 U.S. Census

The 20th Decennial Census of U.S. Population and Housing will begin April 1. Some 222 million persons and 86 million housing units will be counted in the 50 states, Puerto Rico, the Virgin Islands, Guam, American Samoa and the Trust Territories of the Pacific Islands.

The constitutional purpose of

the census, since the first in 1790, is to provide the basis for apportionment among the states of the 435 seats in the House of Representatives. The information is also used in the distribution of federal and state funds to local government units.

Every U.S. household will be asked to fill out a questionnaire to

be mailed March 28. About 90 percent of the households will be asked to mail back completed questionnaires. The remainder, primarily in rural areas, will be visited by census takers who will pick up completed questionnaires. Households not mailing back completed forms as requested also will be visited.

News**makers**

General Systems' 677 Disc Drive Product Section completed an outstanding 1979 final quarter. Daily 677 production tripled from the beginning of the year, and fourth quarter production increased 50 percent above that for third quarter 1979.



Ferez talks with technician Carolyn Johnson in 677 test area in building 10.

Jim Ferez, 677 manufacturing manager, said personnel succeeded in quickly resolving technical problems which arose during the quarter. He said a number of General Systems and Large Storage Systems people made major contributions to his department's performance. These included: Johan Willems, Claude Drew, Tom Myers, Jim Marshall, Craig Thomas and Ravi Chari.

Peter Warn of GSG's Field Engineering dies

Peter Warn, field service manager for General Systems' Field Engineering, died Nov. 24 of a heart attack while on a fishing trip. He was 40. Mr. Warn, who lived in Santa Clara, joined Memorex in 1977. He is survived by his wife Marsha, daughter Sandra and son Patrick.

Early this month, Ferez moved up from his 677 post with General Systems to become disc storage manufacturing manager for Large Storage Systems.

* * *

Jesse Morales, associate accountant for Field Operations' General Accounting, has completed a year-long financial internship. As an intern, he rotated through five different accounting departments during the year to familiarize himself with the company's accounting system.

* * *

General Systems' Business Systems Division was awarded a commemorative life preserver for its role as the

leader in a recent S.O.S. (Ship Our Spares) program to improve spare parts service to company customers. BSD General Manager Gary Hughes was presented the award by Corporate Customer Service Manager Rod Rodriguez. During the period the program was in effect, BSD improved spare parts availability by 81 percent.

* * *

The first Memorex women's basketball team to play in San Jose's city competition has finished the season with six wins and five losses. The team was coached by Mark Thomas, budgets and measurements manager for Large Storage Systems Manufacturing. The team placed fourth among the nine teams competing in the league.



Memorex's Karen Dittman jumps against Los Gatos Cliff Hangers

Annual Memorex Fitness Run to be held April 12

April 12 is the date for this year's Third Annual Memorex Family Fitness Run at West Valley College in Saratoga. Adult and child participants will begin the 3.6-mile run at precisely 9 a.m., and all finishers will be awarded a custom designed T-shirt.

A \$1 registration fee will be charged

for each participating family member, up to a maximum of \$3. A perpetual team trophy will be awarded, and medals will go to the top three male and female finishers in each of nine age group categories. For further information, contact Dave Branning, ext. 7-2688, mail stop 10-27.

Fifteen veteran employees celebrate service anniversaries



Victor Kottinger—maintenance machinist, Tape Plant, 15 years



Gilbert Luna—senior coating officer, Video, Consumer Media, 15 years



Michael Martin—manager, magnetics & instrumentation, MCTC, 15 years



Paul Waterman—chemist II, Video Engineering, Consumer Media, 15 years



Lester West—general accounting manager, Word Processing, Consumer Media, 15 years



Kenneth Wilson—tech. associate, LSS Receiving & Inspection, 15 years



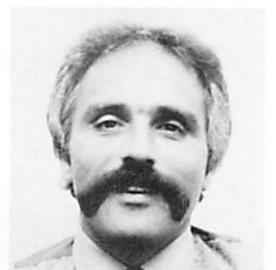
John Cox—tooling manager, LSS Manufacturing, 10 years



Claude Drew—manager, Manufacturing Engineering, LSS Product Assembly, 10 years



Nilda Elliott—tech. editor-writer, Tech. Publications, 10 years



Wayne Fortino—staff engineer, LSS Product Engineering, 10 years



Barbara Freel—engineering specialist, LSS Manufacturing, 10 years



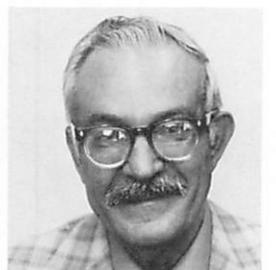
Dorothy Moya—senior fabrication specialist, LSS Fabrication Shop, 10 years



Bart Raudebaugh—senior engineer, LSS Engineering, 10 years



Giorgio Ronchi—country manager, Italy, EUMEA, 10 years



Bert Sammercelli—engineering documentation specialist, LSS Engineering, 10 years

Hundreds of Memorex employees sign up for energy-saving van pool program

Nine Memorex facilities in the Santa Clara area were the locations for van demonstrations earlier this month as part of a van pooling program aimed at saving energy.

RIDES, a non-profit organization set up to promote ride-sharing, conducted the demonstrations. Dozens of Memorex employees signed up to drive the 15-passenger vans, while hundreds more signed up to participate as riders. Drivers commute free, and they have personal use of the vans nights and weekends for a nominal charge per mile.

For more information, call Julie Shear, Memorex's car pooling and van pooling coordinator, at 7-2150, mail stop 02-20.



Cupertino employees examine van.