

MEMOREX REPORTS FIRST QUARTER RESULTS

Santa Clara, California -- Sales and earnings continued at a high level during the three months ended March 31, Laurence L. Spitters, President of Memorex, announced today. Sales of \$18,152,000 and net profit after taxes of \$1,397,000 were reported for the First Quarter of 1969.

Sales and net profits for the comparable period in 1968 were \$11,106,000 and \$793,000, respectively. Earnings per share during the First Quarter of 1969 were 38¢, based on the average number of shares of Memorex Common Stock outstanding, compared to 22¢ in 1968.

A rise in shipments of computer disc drive equipment and sales of computer disc pack media at targeted levels resulted in satisfactory First Quarter results, Mr. Spitters commented.

Memorex introduced Quantum, a new high quality computer tape, in January. In product tests, Mr. Spitters stated, Quantum demonstrates resistance to self-generating errors at least four times greater than that of the two leading competitive tapes.

The Model 660 Disc Drive, which is the Memorex counterpart to the IBM 2314 drive, was also released to production in the First Quarter. Initial units were shipped for technical evaluation to computer manufacturers which are prospective customers, Mr. Spitters announced.

A comparative summary of income follows:

For Information: John S. Morse

PR 339 5/2/69

(408) 247-1000

MEMOREX CORPORATION

CONSOLIDATED STATEMENT OF INCOME

	Three Months Ended March 31	
	1969	1968
Sales	\$18,152,000	\$11,106,000
Cost of sales and operating and research and development expenses	<u>14,453,000</u>	<u>9,393,000</u>
Income before interest, taxes, profit sharing and other expenses	3,699,000	1,713,000
Interest, profit sharing and other expense (net of other income)	<u>762,000</u>	<u>220,000</u>
Income before Federal and foreign income taxes	2,937,000	1,493,000
Federal and foreign income taxes	<u>1,540,000</u>	<u>700,000</u>
Net Income	<u>\$ 1,397,000</u>	<u>\$ 793,000</u>
Earnings per share	38¢	22¢
Average number of shares outstanding	3,682,998	3,624,077