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Memorex To Resell 8-Inch Winchester's Made By Toshiba

By Mike Perkowski

SANTA CLARA, CALIF. — Memorex Corp. last week signed a multiyear OEM deal to remarket 8-inch Winchester disk drives made by Toshiba Corp.

Memorex did not reveal the value of the agreement, although well-placed sources indicated it could be worth more than \$25 million to Toshiba over the next two years.

The agreement marks the first time Toshiba disk drives will be sold to OEMs outside Japan; Memorex has received exclusive worldwide marketing rights to the drives in all geographic markets other than Japan.

Memorex said the deal supplements—but does not replace—a longstanding relationship the company has had with Fujitsu Ltd. Memorex OEM marketing director Barry Donahue said the company will continue to sell Fujitsu's 8-inch Winchester's in capacities up to 84 Mbytes as well as Fujitsu's IBM-compatible 1/2-inch tape drives.

Donahue noted, however, that Memorex decided to expand its product line with Toshiba's drives—ranging in capacity from 83 Mbytes to 160 Mbytes—because it felt the Toshiba drives allowed Memorex to be slightly more price-competitive in the high end of the OEM 8-inch Winchester disk drive market than it could be with Fujitsu's higher-capacity devices.

Donahue dismissed speculation that a rift had developed between Memorex and Fujitsu because of a stepped

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up marketing campaign in the OEM peripherals marketplace by Fujitsu's U.S. marketing arm, Fujitsu America Inc.

"We still continue to carry the Fujitsu line, and our relationship is excellent," said Donahue. "The Toshiba agreement simply is complementary to our Fujitsu products."

The agreement is an extension of Memorex's often-stated strategy aimed at penetrating the OEM disk drive arena. The company has said it intends to aggressively develop new disk drives in the 5.25-inch form factor as well as smaller drives in the future.

But Memorex has stressed that it wants to become a full line supplier serving all ends of the OEM disk drive spectrum. In order to address higher-capacity needs of OEMs, Memorex has inked the OEM remarketing deals with Fujitsu and Toshiba and has entered into a licensing agreement with DMA Systems Corp. for Winchester cartridge drives.

Memorex will market the Toshiba drives as its 230 Series. The 83-Mbyte Model 233 is priced at \$2200 in quantity 1000; the 116-Mbyte Model 234 sells for \$2400; and the top-of-the-line Model 236 is a 160-Mbyte drive priced at \$2800.

All three drives have an average access time of 30 milliseconds and a standard SMD interface. Evaluation units will be delivered in January, and volume shipments are scheduled to begin in February.

Donahue said Memorex intends to ship at a rate of 700 drives per month by April. He also said that Memorex does not intend to produce the Toshiba drives in-house; rather, Memorex will remarket the Toshiba products under the Memorex label.