



Memorex Telex Reports First Quarter Results.



Business Wire

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IRVING, Texas.--(BUSINESS WIRE)--Aug. 9, 1995--Memorex Telex N.V., (NASDAQ:MEMXY), today announced its financial results for its first fiscal quarter ended June 30, 1995.

First quarter revenue was \$220.6 million while earnings before interest, taxes, depreciation and amortization ("EBITDA") were \$10.7 million. The Company reported a first quarter net loss of \$27.7 million including amortization of goodwill of \$31.3 million and depreciation of \$2.5 million. The Company is amortizing the goodwill resulting from its financial restructuring over a three-year period, which commenced April 1, 1994.

Memorex Telex President, Chairman and Chief Executive Officer Marcelo Gumucio commented, "For the ninth straight quarter we have achieved a profit from operations." Mr. Gumucio noted that first quarter results were in line with the Company's business plan and said, "Key wins in each of our markets and business segments underline Memorex Telex's ability to deliver enterprise-wide networking and storage solutions to customers operating in an increasingly competitive global market."

Memorex Telex is a global supplier of enterprise networking, storage and service solutions. The Company operates in 20 countries around the world, with distributor links in other countries. Among its network products are mainframe and midrange networking equipment, LAN (local area network) products including personal computers, super servers and LAN-to-mainframe gateways. Storage products include multiplatform disk arrays, tape subsystems and automated tape libraries. Customer support services range from hardware maintenance to professional services. -0-

Memorex Telex N.V.

Condensed Consolidated Statement of Operations

(Amounts in U.S. Dollar Millions, except per share amounts)

| | 3 Months Ended June 30, | |
|---|-------------------------|----------|
| | 1995 | 1994 |
| Revenues | \$220.6 | \$232.6 |
| Gross Margin | 59.3 | 67.7 |
| | 26.9% | 29.1% |
| Selling, general and administrative expenses | 51.8 | 58.0 |
| Goodwill amortization | 31.3 | 31.3 |
| Other (income) expenses, net | (0.7) | 0.2 |
| Operating loss | (23.1) | (21.8) |
| Interest expense, net | 4.6 | 4.7 |
| Loss before income taxes | (27.7) | (26.5) |
| Provision for income taxes | 0.0 | 4.1 |
| Net loss | (\$27.7) | (\$30.6) |
| Net loss per common share | (\$1.11) | (\$1.23) |
| EBITDA | \$10.7 | \$12.0 |

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