



MEMOREX TELEX REPORTS THIRD QUARTER RESULTS.



Business Wire

February 7, 1995

IRVING, Texas--(BUSINESS WIRE)--February 7, 1995--Memorex Telex N.V., (NASDAQ: MEMXY) today announced its financial results for its third fiscal quarter ended December 31, 1994. Revenue for the quarter was \$232.5 million. The operating income before depreciation and amortization ("EBITDA") was \$22.5 million for the quarter, including a \$9.7 million gain related to the suspension of its U.S. pension plan. The Company reported a third quarter net loss of \$18.4 million or \$0.73 per share, 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 three years, which commenced April 1, 1994.

For the nine months ended December 31, 1994, revenue was \$688.1 million and EBITDA was \$42.0 million. The net loss for the period was \$80.7 million or \$3.23 per share, including amortization of goodwill of \$93.8 million and depreciation of \$7.4 million.

Memorex Telex chief executive officer Marcelo Gumucio stated , "We continue to implement a corporate strategy and business plan that have now brought seven straight quarters of profits from operations. These results include the best performance ever in our Advanced Services and its initial success reflects the growing acceptance of Memorex Telex's new business strategy."

Last quarter, Memorex Telex announced that it needed to raise \$25 to \$50 million to fund the continuing transformation of the Company from a developer and manufacturer of hardware to a provider of networking and storage solutions. The Company has met with potential investors and discussions are ongoing.

Memorex Telex is a leading provider of enterprise network and storage solutions for businesses worldwide. The Company operates in 24 countries around the world, with distributor links in other countries. Among its network products are mainframe and midrange networking equipment, LAN products including PCs and

super servers, and LAN-to-mainframe gateways. Storage products include disk and tape storage subsystems and automated tape libraries. Customer support services range from hardware maintenance to advanced services.

(table follows)

Memorex Telex N.V.

Condensed Consolidated Statement of Operations

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

	9 Months Ended		3 Months Ended	
	December 31,		December 31,	
	1994	1993	1994	1993

Revenues	\$688.1	\$770.0	\$232.5	\$234.2
Gross Margin	199.9	239.3	67.6	74.7
Selling, general & administration expenses	170.5	194.5	55.3	63.1
Goodwill amortization	93.8	17.6	31.3	5.9
Other (income) expenses, net (aa)	(5.1)	2.7	(7.7)	0.6
	-----	-----	-----	-----
Operating income (loss)	(59.3)	24.5	(11.3)	5.1
Interest expense, net	14.5	89.8	4.8	31.4
	-----	-----	-----	-----
(Loss) before income taxes	(73.8)	(65.3)	(16.1)	(26.3)
Provision for income taxes	6.9	7.7	2.3	2.3
	-----	-----	-----	-----
Net income (loss)	(80.7)	(73.0)	(18.4)	(28.6)
	-----	-----	-----	-----
	-----	-----	-----	-----
Net loss per				

common share	(\$3.23)	(a)	(\$0.73)	(a)
--------------	----------	-----	----------	-----

EBITDA	42.0	53.9	22.5	14.4
--------	------	------	------	------

(a) Per share amounts are not relevant due to the Prepackaged Plan of Reorganization which was filed in February, 1994 and became effective on March 24, 1994.

(aa) Includes curtailment gain of \$9.7 million related to the U.S. defined benefit pension plan in the current year.

CONTACT: David J. Faulkner

Vice Chairman

or

Gregory S. Wood

Vice President and Treasurer

(214) 444-3673

COPYRIGHT 2009 Business Wire. This material is published under license from the publisher through the Gale Group, Farmington Hills, Michigan. All inquiries regarding rights or concerns about this content should be directed to [Customer Service](#). For permission to reuse this article, contact [Copyright Clearance Center](#).

HighBeam Research is operated by Cengage Learning. © Copyright 2011. All rights reserved.

www.highbeam.com