

INTERCOM

Profile: Memorex Security

Profitable First Quarter Reported

Memorex Corporation had combined earnings of \$158,000 on combined revenues of \$34,465,000 for the three months ended March 31, 1972, President **Laurence L. Spitters** told guests at the Annual Shareholders' Meeting.

Spitters pointed out that the First Quarter profit represents "the first profitable quarter since our equipment-for-lease business has been predominant in our operations."

Combined revenues for the quarter represented a 66% increase over the First Quarter 1971 combined revenues of \$20,776,000. The profit, which represents \$0.04 per share, compares to a net loss of \$2.3 million or \$0.59 per share for the First Quarter of 1971.

"This favorable turn of results, from the losses sustained last year, reflects the growth of our equipment-for-lease base, increased efficiency of our leasing operations and lower expense levels attained in the late 1971 restructuring and reorganization of our business," Spitters said.

During the First Quarter of 1972, Memorex announced and demonstrated its first two computer systems—the MRX/40 and 50. These systems, which represent the culmination of the company's computer systems development program which began in 1969, were introduced on March 23, Spitters told the shareholders.

The new system products represent a logical addition to our computer equipment products line and underpin our existing investment in disc storage files and communications products, Spitters said. Initial shipments of the MRX/40 and 50 Computer Systems, which have received good customer response, are scheduled for the Fourth Quarter of 1972.

Shipments of Memorex's 3670 Disc Storage Subsystem, the higher capacity, next generation disc file storage equipment for IBM 370 computers, will also begin in the Fourth Quarter of 1972. Orders received for this

product, which was announced in December of 1970, are excellent and represent a backlog which is larger than Memorex has ever

recorded for a product prior to its first shipment, Spitters said.

THREE MONTHS ENDED

March 31, 1972

	1972		1971	
	Memorex Corporation & Majority-Owned Subsidiaries	ILC Peripherals Leasing Corporation	Combined	Combined
Net Sales and Revenues (excluding \$11,677,000 billed to ILC in 1972)	\$33,261,000	\$9,733,000	\$34,465,000	\$20,776,000
Net Income (Loss)	\$ 158,000	\$ (165,000)	158,000	\$ (2,289,000)
Earnings (Loss) per share			4¢	(59¢)

Results for the three months ended March 31, 1972 are unaudited and are not necessarily indicative of results to be expected for the year.



Andy Lovas (l), product sales manager, systems, and Dan O'Brien (second from l), director of marketing programs, give members of the Board of Directors a first-hand look at our new computer system.

Intercom

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Santa Clara, California 95052

Editor: Dave Williams

ABOUT THE COVER

Protecting the employees and property of Memorex against the danger of explosions, industrial spying, bomb threats, theft and vandalism is a 24-hour a day job for Memorex Security. Shown reviewing company security and emergency procedures are (l to r): Capt. Jake Dimsdale; Corporate Security Manager, Ernie Tydell; Sgt. Ralph Lees and Building 10 receptionist, Pat Daugherty. Story on page 4.

Employees Praised At Shareholders Meeting

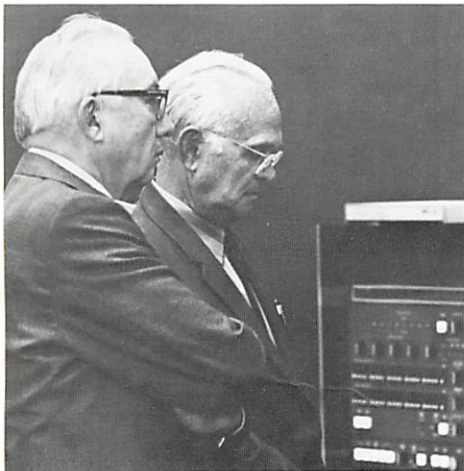
Memorex President Laurence L. Spitters addressed a special note of praise for Memorex employees during the annual Shareholders' Meeting last month.

"Your zeal to return Memorex to profit, your efforts which produced the profit results, and your willingness to do more-with-less by accommodating numerous organizational changes and cutbacks, have been successful. We have met our First Quarter operating plan.

You can take immense pride in your participation in the turnaround of Memorex's business," he said.

Commenting in a letter to employees on his remarks at the meeting, Spitters added: "The past year has been a difficult one and I think Memorex employees showed their true mettle. Again, my heartiest congratulations to each of you."

President Spitters addresses Annual Shareholder's Meeting.



Two shareholders inspect the MRX/50 computer control panel.



Arnie Colonna (l), product sales manager, communications, demonstrates a Memorex communications terminal for a guest.



Explaining the advantages of Memorex computer media to an interested shareholder is Lary Lindsey (r), product sales manager, computer media.

Memorex Employees Celebrate Anniversaries

These men and women have joined the ever-growing group of veteran Memorex employees. Each has marked his or her fifth anniversary with the company. The contributions of experienced employees such as these help form the basis for Memorex's continued growth.

Robert A. Reif
Mitsuru Okamoto
Robert L. Erdman
Lawrence P. Davis
Joseph L. Tamez
Marian T. Ceniceros
Yvonne F. Kendall
Marjorie F. Hill
Regina Palmer
Gary L. Toms
Ward L. Scott

Bob Wallin, cassette assembly personnel supervisor, Consumer Products, is congratulated by Robert Jaunich II, division vice president, on his 10th anniversary with Memorex.



Profile: Memorex Security



Capt. Jake Dimsdale

They work here 24 hours a day, including weekends and holidays, protecting you and Memorex, all as part of their job as security guards and receptionists.

"Our job is one of protection and service to employees and Memorex," said **Ernie Tydell**, corporate security manager, who directs the security force of Memorex employees and contract personnel from Sentry Security Services. "We are here to protect the security of our products, patentable ideas, the employees, and the company's property."

The reasons for having a security force are many: fires, explosions, natural disasters, industrial spying, bomb threats, theft and vandalism are all potential dangers. "The best way to eliminate most potential hazards is to allow only authorized people into the buildings, which means issuing badges to employees," said Tydell. "Badges may seem like a nuisance, but they serve a very important purpose."

"We all share in the protection of Memorex," he said. "Unauthorized people in the area represent hazards to the company and to individuals."

The need for badges and security precautions was emphasized recently when an unauthorized person attempted to gain cost

information regarding the development of our disc memory equipment. "Since he didn't have a badge allowing access to our facilities, he tried to bribe an employee to get the information," Tydell said. "The employee he contacted reported the attempt which led to the spy's arrest and conviction."

"There are other, less obvious, reasons for security that many people may not be aware of," said Tydell. "For example, many people do not understand the purposes of our parking regulations: to provide a courtesy to visitors, to keep fire and emergency vehicle lanes open, and to prevent accidents due to over-congested parking."

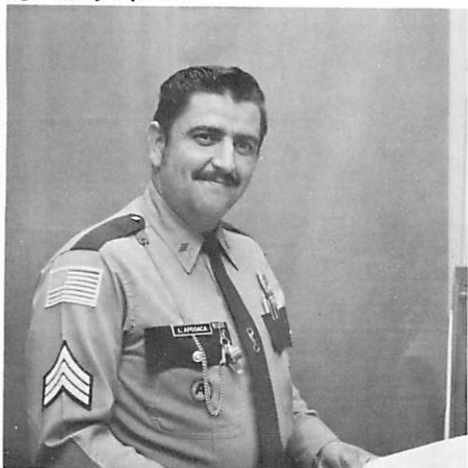
An equally important area of activity for security is its emergency services. "We have an emergency hotline manned 24 hours a day," said Tydell. "In case of an accident, fire, or other emergency, all anyone has to do is call 7-3333. The guards who man the phone know exactly what action to take and can get the appropriate help on the way fast."

"We stress courtesy and service at all times," he continued. "For example, we provide security against people tampering with employees' cars, escort women who have been working late to their cars, and notify people who have left their headlights on."



Sgt. Ralph Lees

Sgt. Larry Apodaca



Sgt. Ralph Lees

Ernie Tydell

Guard Don Potts



People Who Serve You



Joy Hayes, security department secretary



Carolyn Foster, micrographics receptionist



Carol Buchanan, disc pack receptionist



Cindy Hallihan, tape plant receptionist



Pat Daugherty, building 10 receptionist



Joni Montgomery, building 14 receptionist

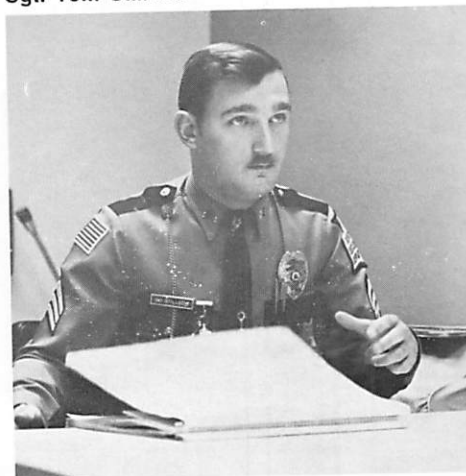
Guard Don Potts



Sgt. Ray Muns



Sgt. Tom Stillson



INTERCOM COM-LINE

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To participate in COM-LINE, simply write or type your questions and send it via inter-office mail to Editor, INTERCOM, mail stop 12-33. There is no need to identify yourself. Your question, along with an authoritative and complete answer will then be published in a succeeding issue. If you have any questions, you can call the Editor at 7-2200.

Q. I notice that Memorex occasionally scraps old pieces of electronic equipment. Would it be possible for employees to have the opportunity to purchase some of this equipment before it is disposed of elsewhere?

A. We discussed your suggestion with Property Accounting and Salvage, both of which reported that such a proposal would be unworkable. There are several reasons for this, the primary one being that very little material and equipment is scrapped. Another consideration is that any equipment scrapped is sold on an as-is-basis; consequently it would be difficult to arrive at a fair price for employees. Also such a program would require the establishment of a control group to administer a program giving all employees an equal chance to purchase the equipment. We believe that the cost of such a program would negate any advantages gained by offering to sell scrap equipment to employees.

Q. The 1972 Proxy Statement states that "During the period from January 1, 1967 through January 31, 1972, all employees, including present officers and directors of Memorex, were granted options to purchase an aggregate of 325,596 shares of Common Stock at an average option price per share of \$50.00." All employees I have talked to have never heard of this offering. Please comment.

A. The phrase "all employees" refers to all employees who were granted options to purchase stock. The phrase "all employees" is commonly used in this manner in proxy statements to say that no employee stock options have been granted other than those listed.

MAG Calendar

Blood Drive—Over 80 people donated blood during the recent drive. So far this year, our participation level is about 9.2% including both blood drives and employees who have donated at the center in San Jose. All Memorex employees and their families still retain coverage for an unlimited supply of blood at no cost should the need arise. We will be having further blood drives in the fall to help us reach our annual 20% participation level.

Summer Picnics—Blackberry Farm is the site for our two summer picnics. July 22 is the date reserved for all manufacturing groups and August 12 for the other functional

divisions. **Dick Holdren** is the Picnic Chairman and would like to hear from anyone willing to help with planning the sports and activities. Call Dick at 7-1961 if you have any ideas relating to the picnic.

MAG Elections—The election for three openings on the MAG Board will be held June 1 through 15 at the Memorex Drive complex. There will not be a general election at the San Tomas complex until December, since there will be no vacancies on the Board until then.

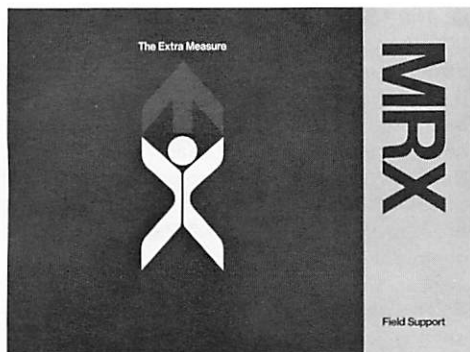
Belly Dancing Classes—MAG is getting women together for group lessons on Monday nights from 8 to 9:30 p.m. MAG members can enroll in an 8-week session for \$12.00 (normally \$24). It's lots of fun and great exercise. Call **Margie Whitnah** (7-2357) for further information and to sign up.

Photography Contest—This year's photography contest is to be held from June 1 through August 13 and is open to all Memorex employees. All entrants will receive a plaque or certificate for participation. There will be awards in each of the various classes. See the MAG Newsletter for complete details and entry blanks or contact **Jim Smith** (7-0961), **Barry Wright** (7-1715) or **Ron Wilcox** (7-1306).

Marine World Family Day—Marine World will be hosting Memorex employees on the weekend of June 10 and 11 from 9:30 a.m. to 6:30 p.m. each day. For these days only you will be able to save over 40% on tickets sold here at work. Tickets are \$2.25 per person with children under five free. Once inside, all attractions are free. We have 3,000 tickets so feel free to invite relatives and friends. Tickets are on sale now at both Personnel offices, **Ed Sutter** at Disc Pack, **Bette Binford** at Consumer Products, and **Gerry Sumner** on swing shift at the Tape Plant.

Roaring Camp Family Day—Memorex Family Day at the Roaring Camp Steam Trains in Felton will be Sat., June 17 from 10:00 a.m. to 6:00 p.m. There are special low family-day prices for those ordering tickets in advance. The prices are: Adults (16 yrs. and over)—steam train \$2.30 (reg. \$3.00), barbecue \$2.80 (reg. \$2.90), or train and barbecue \$4.90 (reg. \$5.90); children (3-15 yrs.)—steam train \$1.15 (reg. \$1.50), barbecue \$1.70 (reg. \$1.75) or train and barbecue \$2.75 (reg. \$3.25). Tickets must be ordered in advance from Roaring Camp. Ticket order forms and information pamphlets are available in both Personnel offices. Call **Margie Whitnah** at 7-2357 if you'd like one sent to your mailstop.

Field Support Demonstrates "The Extra Measure"



Significant cost savings, increased equipment up-time, and awards for the top offices highlighted the results of the Memorex "Extra Measure" competition held recently.

According to **Jack Kelly**, vice president of Field Support, the Extra Measure contest was designed to meet several objectives. "We wanted to emphasize the benefits of improved equipment performance and increased cost effectiveness in the field and to give all offices, large and small, an equal chance for recognition of a job well done," he said.

"We judged individual office performance against that of each region in two major categories: equipment up-time and resource utilization," he said. "The competitive spirit was great, and the results were outstanding. In the four months of the contest, up-time for machines installed increased more than 25%, and we achieved savings of over \$100,000 compared to the prior four-month period."



Irving Tupe, senior field support representative in Newark, receives a lapel pin symbolic of his extra measure efforts for Memorex from Frank Juliano, field manager, as Tom Owen (l), regional manager; and Stan Gang, field manager, give their approval.

Winning offices in the competition were awarded prizes and treated to a dinner hosted by the regional manager. Winners of the competition were:

St. Louis: Philip Felton, Warren Gaddy, Robert Halberstadt, Ronald Skiles, Charles Weber and Morris Peterson (office manager).

Milwaukee: Glen Hill, Michael Baranowske, Richard Larsen, Stephen McGil, Gerald Murphy, Paul Nestberg, Curtis Preston, Dennis Putney, Allen Simcock, Michael Marshal, Patricia Price.

San Francisco: Vern Ohlendorf, Albert Seger, Louis Hess, James Berlind, Barton Byron, William Hansen, Ronald O'Leary, Lester Seaverson, George Wong, Tomas Berger, Barry Burnside, Richard Niehaus, Vincent Koebensky, Otis Myers, Forrest Grein.

Newark: Stanley Gang, Louis Gangone, Dennis Lasch, Joseph Schneider, Irving Tupe, Charles Clines, George DeVoe, Fred Locarid, Mary Peritore.

Harrisburg: Earl Kiel, Kenneth Bovatsek, James Coulter, Edward Kriens, Jane Harrell.

Allentown: Henry Baylor Jr., Kenneth Hobbie, James Morris, Wayne Robinson, Alfred Arends.



Joseph Schneider, senior field support representative for Newark, shows his wife his "Extra Measure" certificate during a celebration dinner.



Congratulating Grant Seaverson (l), San Francisco field support representative, on his contribution to "The Extra Measure" Contest is Regional Manager, Jim Tyson.

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