MEASUREX

MEASUREX CORPORATION ANNUAL REPORT 1982

CORPORATE PROFILE

Measurex is a leading producer of sensor-based computer process control systems for use in continuous process industries.

Measurex–acronym for "MEASURement EXcellence"–has built a worldwide reputation by providing economic results for its customers. The Company's systems use proprietary sensors to measure and improve the management of product qualities.

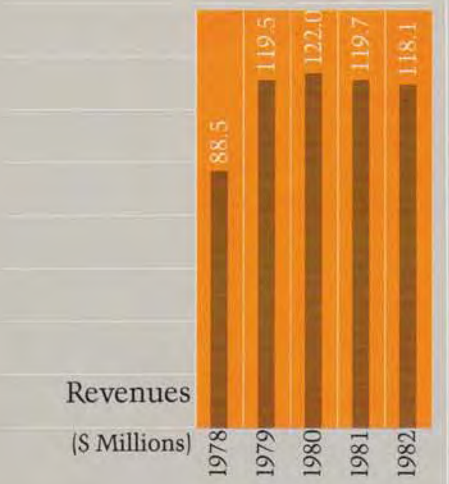
Principal users of Measurex systems include the paper, pulp, building products, metals, plastics, rubber industries and electrical utilities as well as other energy-intensive industries. By optimizing manufacturing operations, Measurex' customers produce more product from a given quantity of raw material, increase output, and gain greater uniformity of finished product. As a result, customers consume less energy and fewer raw materials, while improving productivity and product quality.

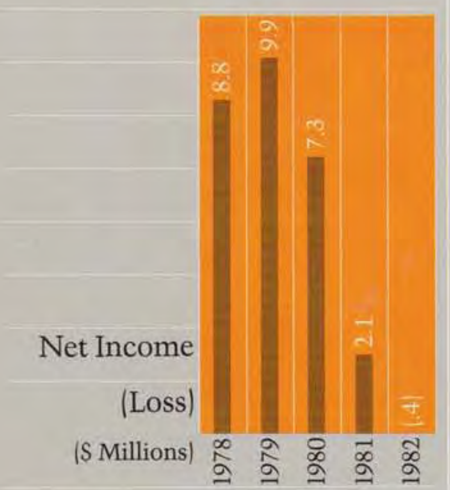
The computer, which receives data from Measurex sensors, is programmed as an integrated control, display, and information system. It makes possible precise control of the production process and provides color graphic displays and printouts for use by process operators and plant management.

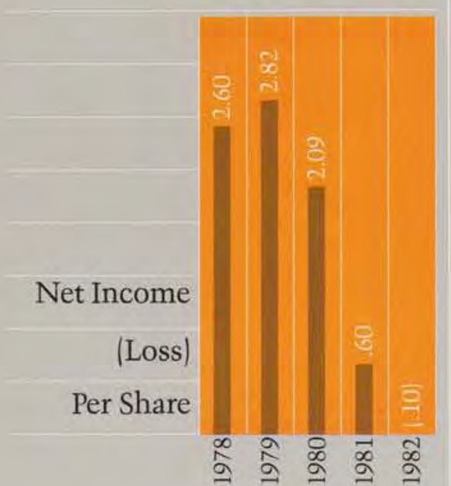
Measurex has pioneered the development of energy management systems to optimize energy usage in industrial plants and utilities. The basic strategy of the Measurex energy systems is to reduce the amount of fuel required to meet process steam and electrical demands. This application of digital computer control to the energy management field has broadened Measurex' market base.

Corporate headquarters are located in Cupertino, California, in the heart of Santa Clara County's high technology "Silicon Valley." Measurex has 2050 employees around the world. The Company also has a manufacturing facility in Waterford, Ireland, an engineering facility in Cork, Ireland, and operates an engineering and systems assembly and test facility at its wholly owned subsidiary in Tokyo, Japan.

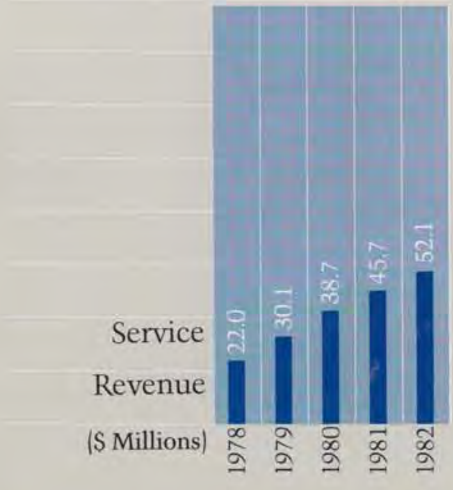
FINANCIAL HIGHLIGHTS

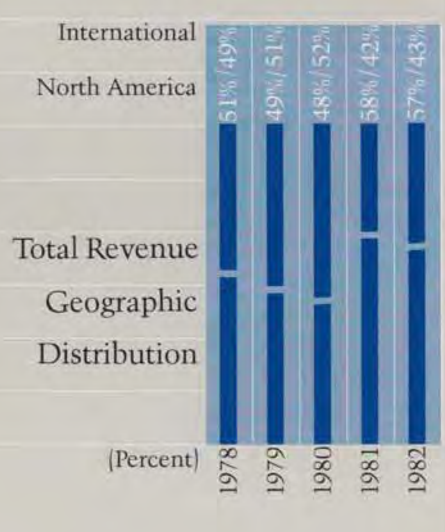






	1982	1981
Revenues	**$118,145,000**	$119,702,000
Net income (loss)	**$ (350,000)**	$ 2,101,000
Net income (loss) per share	**$ (.10)**	$ .60
Dividends per share	**$ .38**	$ .50
End of Year:		
Working capital	**$ 36,390,000**	$ 49,373,000
Total assets	**$118,652,000**	$129,256,000
Total debt	**$ 12,096,000**	$ 18,052,000
Shareholders' equity	**$ 75,318,000**	$ 76,570,000
Number of employees	**2,050**	2,193
Revenues per employee	**$ 55,000**	$ 56,000
Backlog	**$ 36,400,000**	$ 44,300,000
Shares outstanding	**3,561,000**	3,533,000





President's Message

Adverse economic conditions continued to affect our customers during 1982 which resulted in lower orders for our systems. Revenues, reflecting a decline in new system shipments, were down slightly at $118,145,000 resulting in a loss of $350,000 or $.10 per share. This loss for the year is the first since Measurex became a public company in 1972.

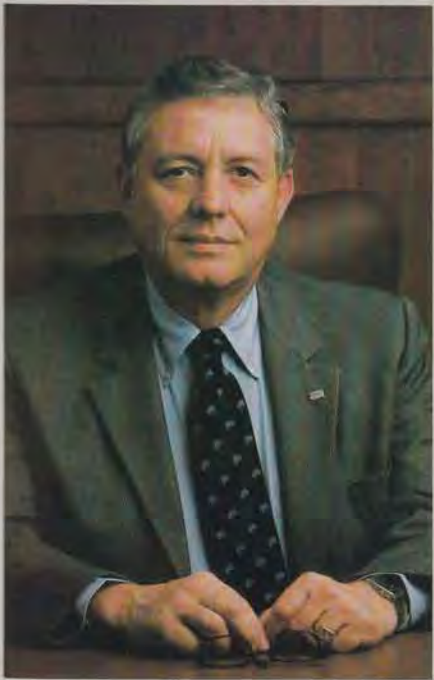
Aggressive cost reduction programs were implemented which has enabled the Company to return to profitability at significantly lower levels of new system shipments as evidenced by fourth quarter results. Revenues for this period were $27,565,000 resulting in net income of $107,000 or $.03 per share.

Orders for the fourth quarter were encouraging at $23 million, bringing the total for the year to $68 million. Backlog at year end was $36 million, of which $26 million is scheduled for delivery during fiscal year 1983.

Our asset management program has continued to produce good results. Debt of the Corporation was 16 percent of shareholders' equity at year end 1982, representing a 68 percent reduction in the debt to equity ratio since 1979. The combined debt of Measurex and its nonconsolidated finance subsidiaries was decreased by $10 million during the year, bringing the reduction since 1979 to $38 million.

Continued investments in new product development culminated in our March 2, 1983 announcement of the VISION 2002™ Network. Measurex is entering the market for distributed digital instrumentation controls and factory-wide networks, in addition to our current Measurex 2002 supervisory computer systems. With this single network for mill-wide visibility and control, Measurex has taken a major step in the evolution of process control technology. All existing sensor-based Measurex 2000 series systems can be integrated into this new network.

Measurex' traditional business has been to supply dedicated computer control systems for unit processes. Our entry into the distributed digital instrumentation and plant-wide control market represents a substantial



increase in Measurex' worldwide business potential. Global sales of these products were approximately $1 billion in 1982.

Process automation has become more sophisticated as computer applications have increased. Most of the efficiency improvements from process automation have been at the unit process level. The application of digital communication technology now makes it possible to increase productivity on a plant-wide basis. Unit process controls can be linked together in a communications network providing better coordination and scheduling among units, thus improving overall plant efficiency.

This movement to distributed digital instrumentation and the advances in communications technology places Measurex in an ideal position to capitalize on its extensive experience in digital optimizing controls and application software. The new VISION 2002 Network provides a cohesive family of system products from basic instrumentation through unit process and mill-wide controls. Advanced VISION 2002 software makes it easy for users to configure and build displays, controls and entire networks.

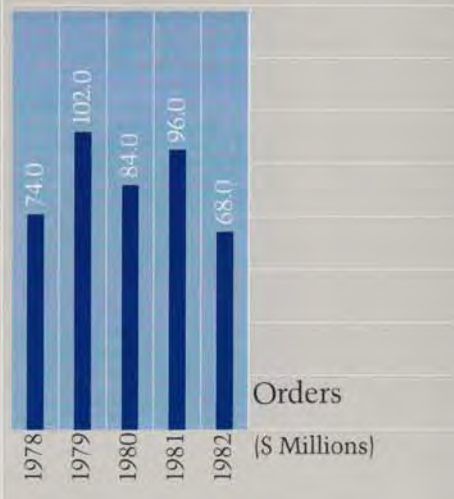
The broadening of Measurex' market base, made possible by our new product line, combined with our strong financial condition, positions the Company for substantial growth as the economy improves.

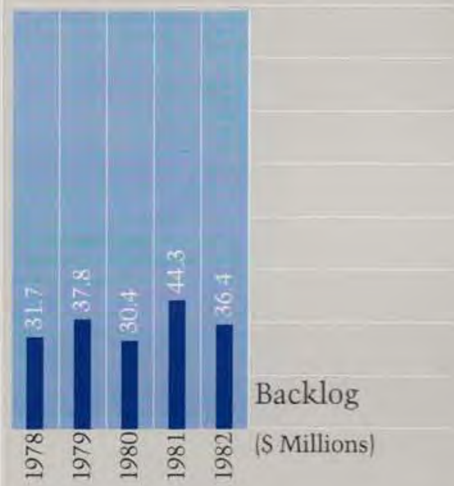
To our shareholders and customers, I express my appreciation for their continued support. I wish to thank Measurex' directors and employees for their dedication and efforts.

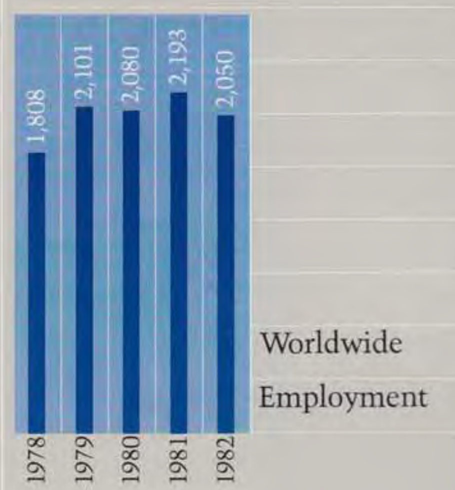
Sincerely,

David A. Bossen

David A. Bossen
President
Chief Executive Officer







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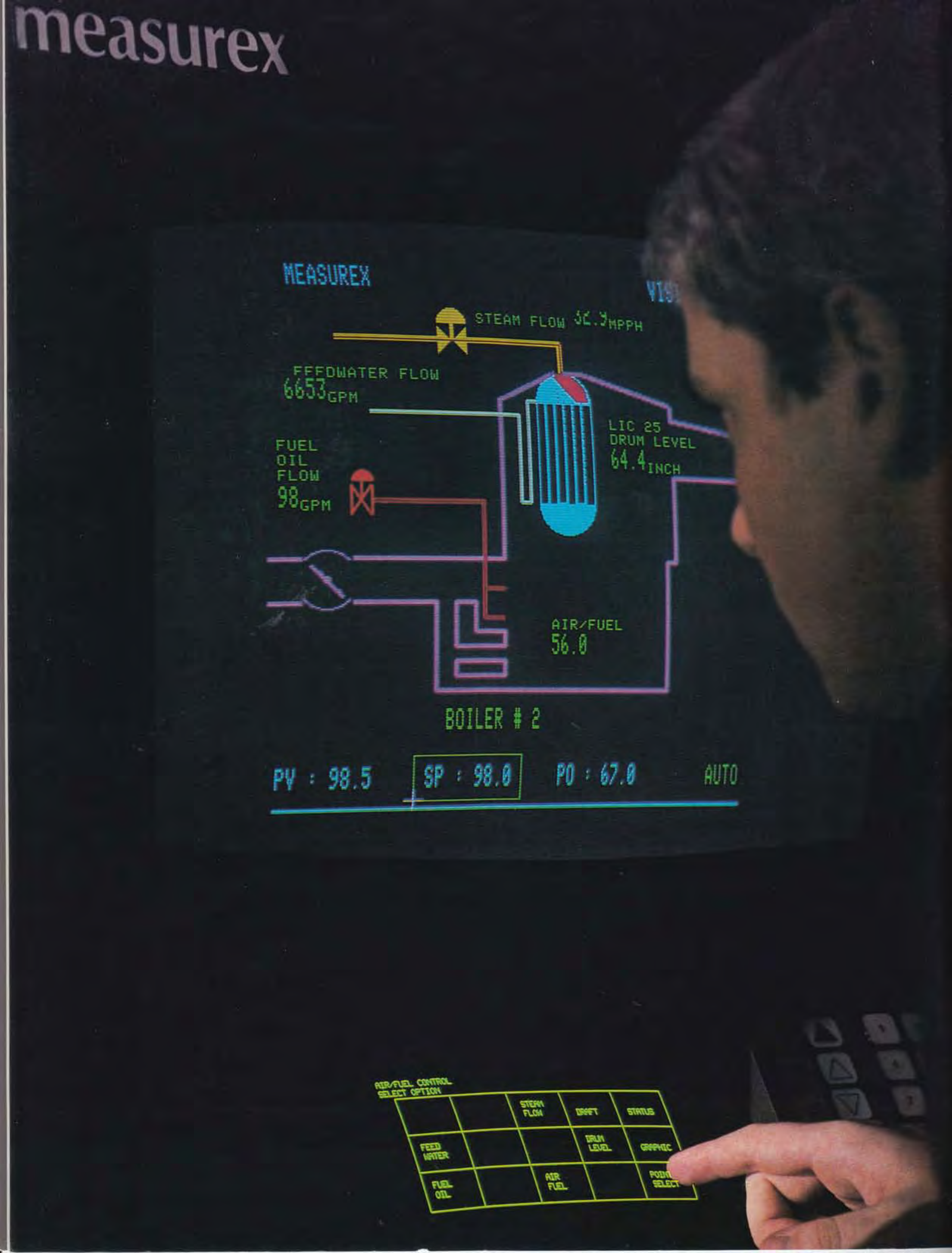
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STEAM FLOW
FEEDWATER FLOW
6653GPM
FUEL OIL FLOW
98GPM
LIC 25
DRUM LEVEL
64.4INCH
AIR/FUEL
56.0
BOILER # 2
PV : 98.5
SP : 98.0
PO : 67.0
AUTO
AIR/FUEL CONTROL
SELECT OPTION
STEAM FLOW
DRAFT
STATUS
FEED WATER
DRUM LEVEL
GRAPHIC
FUEL OIL
AIR FUEL

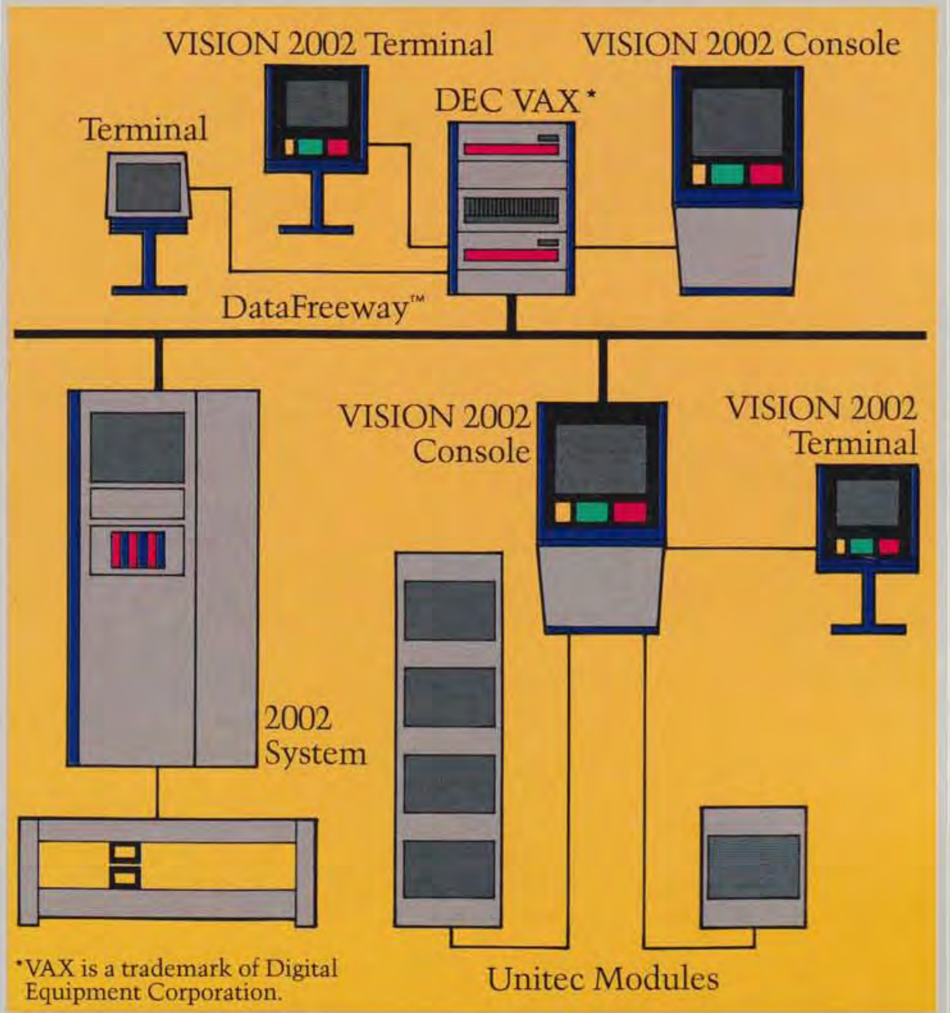
VISION 2002 NETWORK

Leadership

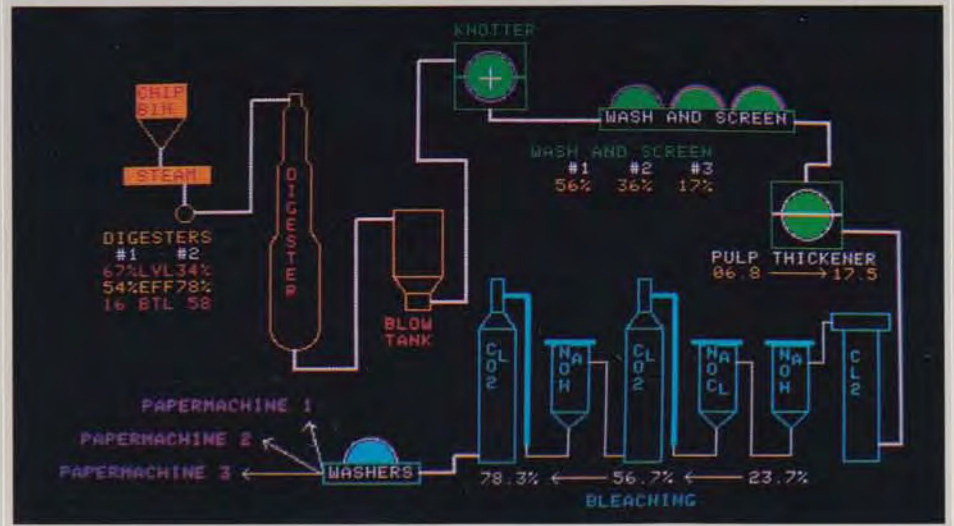
The introduction of a fully-integrated, single-vendor system reaffirms Measurex' leadership in process control technology. All components of the VISION 2002™ Network are fully compatible, so that our customers need rely on only one supplier for all hardware, software and system support.

The software of the VISION 2002 Network is unique among process control systems. A key benefit is that it eliminates the need for programming knowledge in order to develop interactive control applications. A prime objective of the design is to eliminate high cost programming by substituting low cost silicon chips. The software products provided make it possible for the user to build highly complex systems with no knowledge of programming.

The DynaTouch™ keypad screen makes the system exceptionally easy to use. This touch-activated screen, located below the main video on the console, gives direct access to information at any level throughout the plant. A simple dialogue of questions and possible answers guides the selection of displays and the creation of custom displays, reports and controls.



Complete plant-wide visibility and control is now available in a single, integrated multi-computer network.



Computer-on-a-chip technology is applied to individual process control loops.

VISION 2002 NETWORK

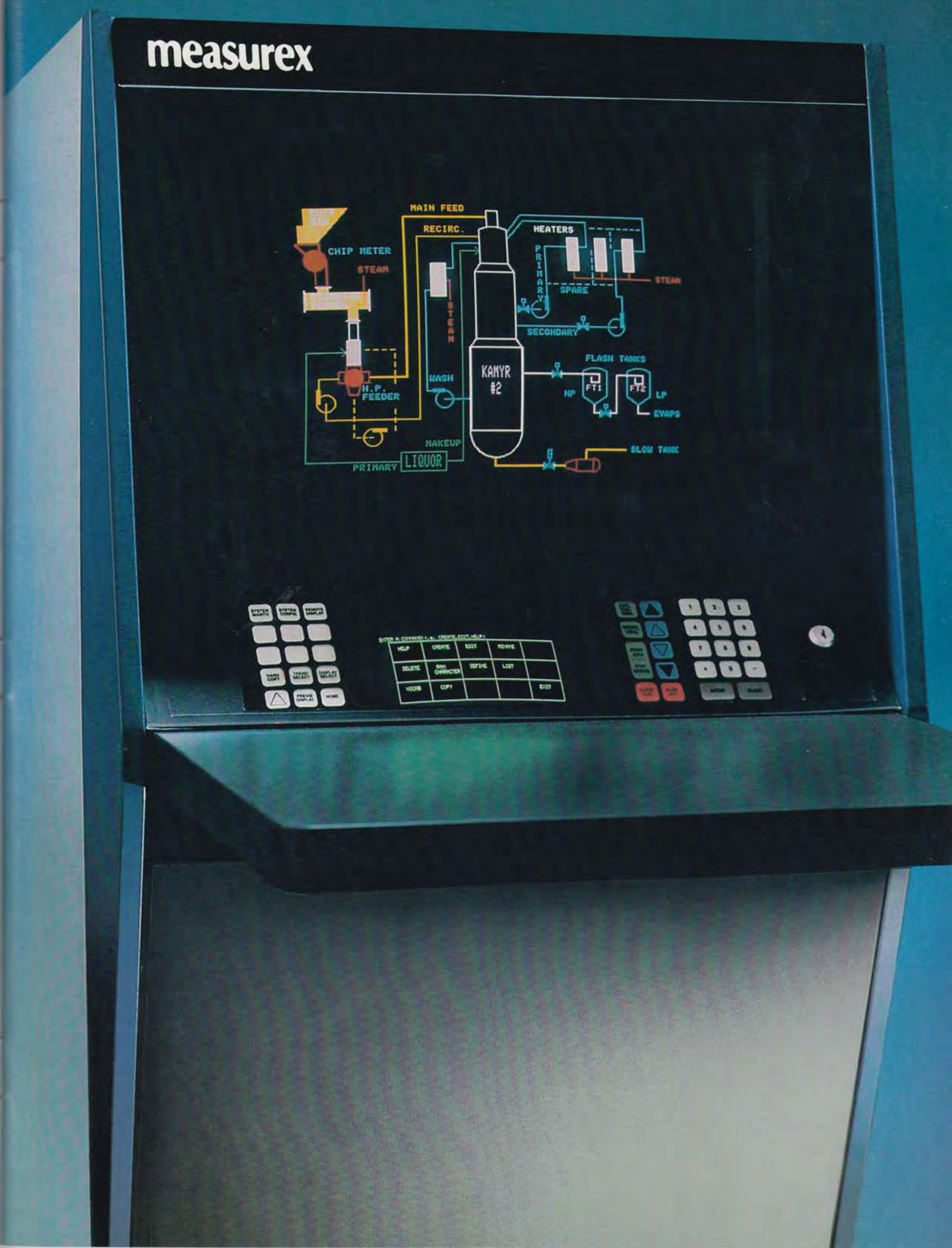
Innovation

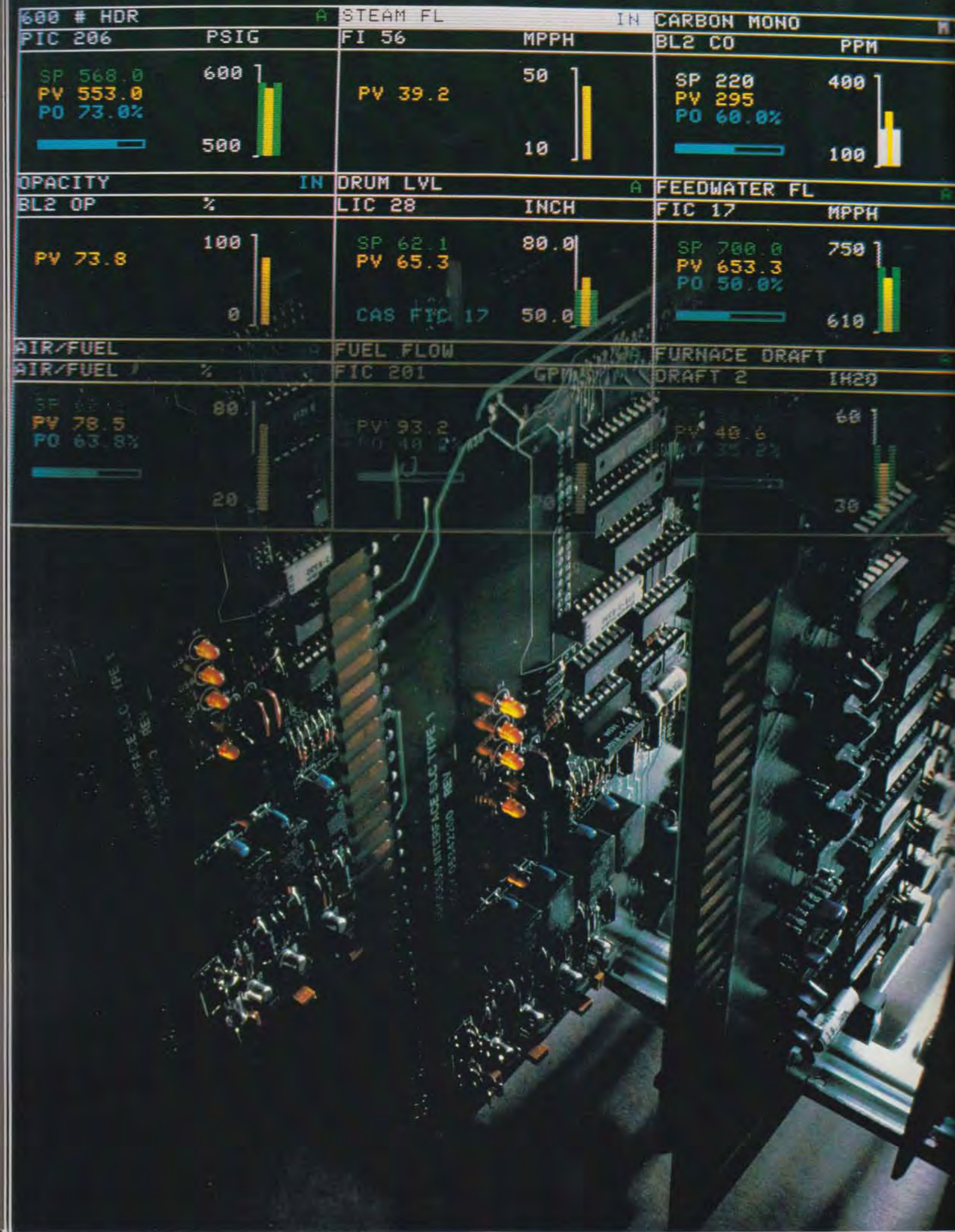
With three fully integrated levels–the VISION 2002 Local Network, 2002 Supervisory Systems and the VISION 2002 Management Network–the system provides complete visibility and control for all process industries.

Measurex' VISION 2002 Network is the first system to provide instrumentation level, supervisory level and high level plant-wide control in a common system. It is built on over 15 years of experience in digital computer-based process control systems and is the result of more than five years of development. The VISION 2002 operator interface provides direct access to all information without reference to manuals, memorized codes or programming skills.

Key to the VISION 2002 Network concept is Measurex' recognition of the fact that it is essential not only to integrate all levels of Measurex control, but also to make the system compatible with other vendors' computers. This capability was made available in 1980 with the DataFreeway™ communication system.

The combination of the DataFreeway communication and the modular architecture of the VISION 2002 system enables customers to build a system beginning with any level of capability.


measurex
MAIN FEED
RECIRC.
HEATERS
CHIP METER
STEAM
PRIMARY
SPARE
STEAM
STEAM
SECONDARY
FLASH TANKS
KAMYR
#2
WASH
H.P.
FEEDER
FT1
FT2
HP
LP
EVAPS
MAKEUP
BLOW TANK
PRIMARY
LIQUOR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CAS FIC 17
80.0
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FIC 17 MPPH
SP 700.0
PV 653.3
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750
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AIR/FUEL %
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PO 63.8%
80
20
FUEL FLOW
FIC 201
PV 93.2
FURNACE DRAFT
DRAFT 2 INH2O
PV 40.6
60
30

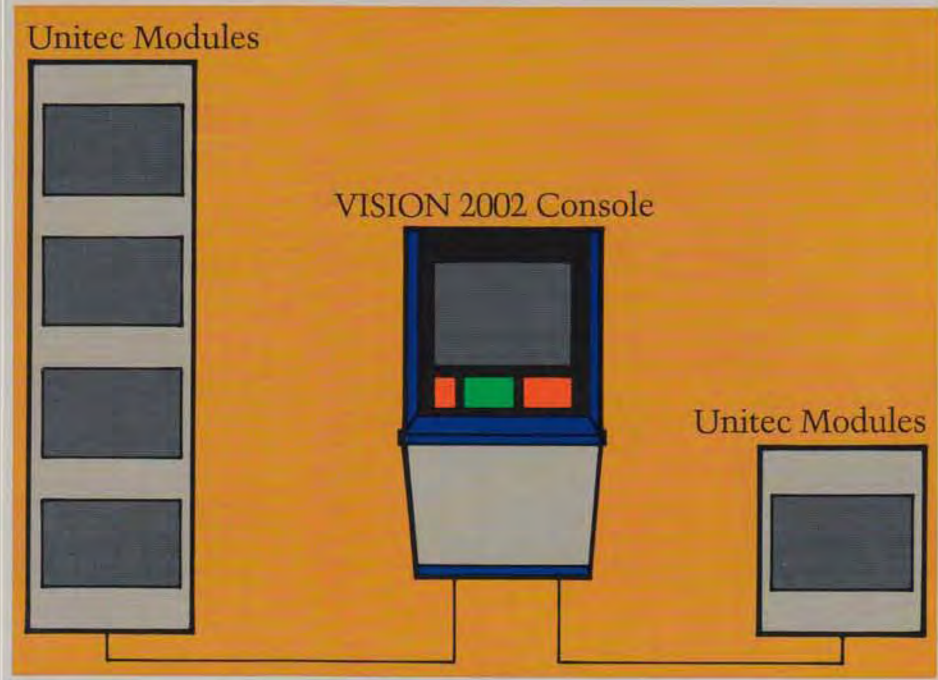
VISION 2002 NETWORK

Performance

The VISION 2002 Network has the capacity to read over 100,000 analog inputs, or control 12,000 loops. In a system of this magnitude, high performance through uninterrupted reliability is absolutely essential.

Minimizing the impact of any failure at any level is key to Measurex' approach to ensuring the reliability of the VISION 2002 Network. This is accomplished through distributed functions, backup components and redundant capabilities throughout. For example, at the instrumentation level–the VISION 2002 Local Network–the Unitec™ modules, which control each primary loop, can have automatic hot backups. In the event of a failure, these backups take over with no loss of control. By distributing intelligence to Unitec modules, the Local Network is isolated from higher level computer problems.

In addition, higher level computers can have automatic backups, and the communication systems can be provided with redundant links.



System reliability and flexibility are ensured by redundant capabilities and distributed intelligence.

Measurex continues to add innovative technological enhancements to paper machine control systems.

PULP AND PAPER

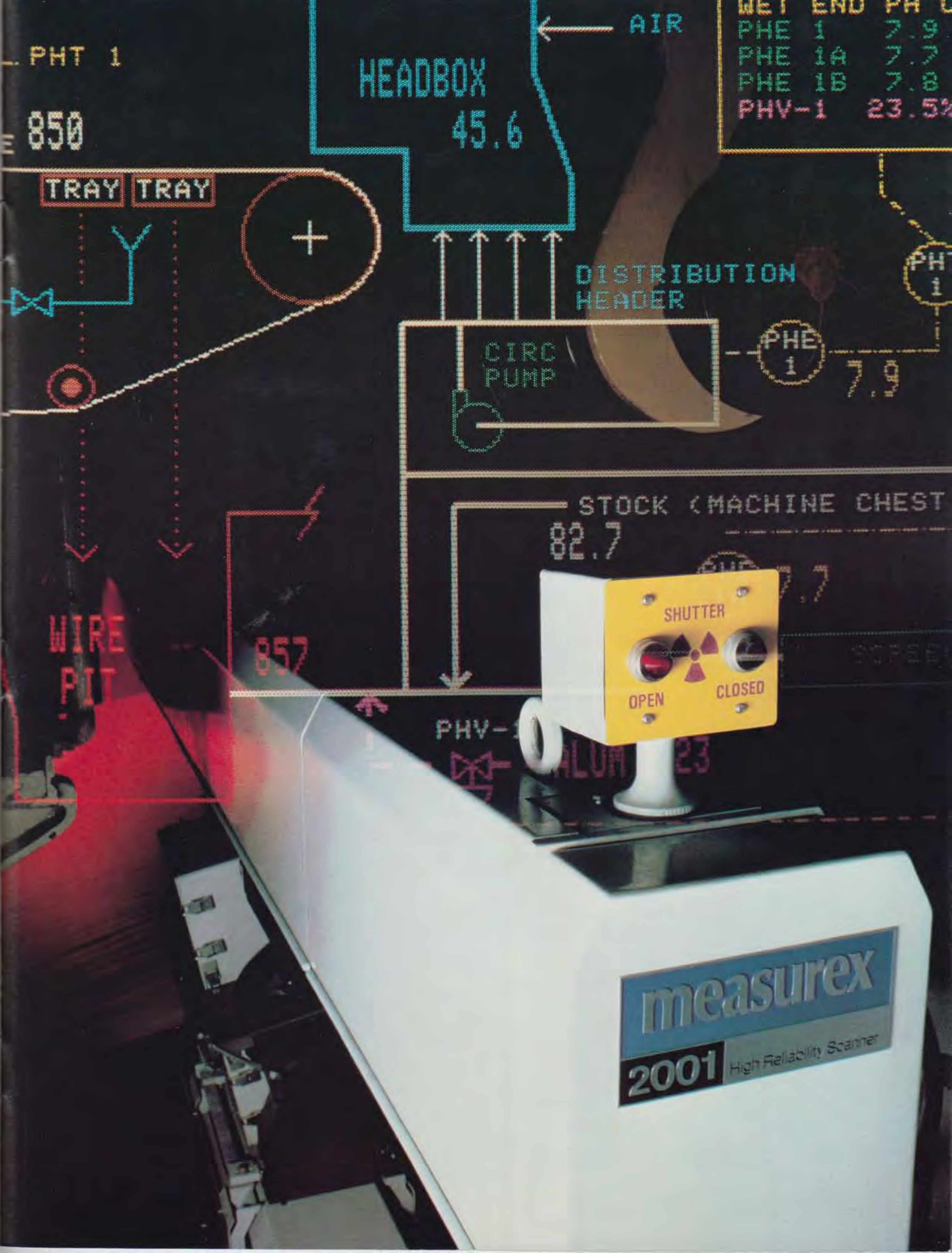
Quality and economic efficiency have become the keys to success for the paper industry. During 1982 Measurex continued offering leadership to the pulp and paper industries with a broad range of sensors, machine and cross direction controls, as well as process analysis capabilities, which provide papermakers this competitive edge.

The new full spectrum color and brightness sensor and the smoothness sensor gained wide acceptance by the paper industry in 1982. Color and brightness are essential specifications for most fine paper grades, and smoothness is one of the prime factors determining printability and reducing rejects.

Measurex introduced the Digitector III™ basis weight sensor, featuring ash insensitivity, universal calibration, low noise and dynamic Z correction. These features provide faster and more accurate measurements for better profile control results. On-line process troubleshooting programs, such as the PROBE™ package, provide spectral density analysis for analyzing and resolving short-term process variations.

In the controls area, one of the major developments was the field success of the STAR™ automatic control tuning package. This advanced technique increases control results 15 to 30 percent.

These introductions and improvements in Measurex' product lines continue the Company's commitment to engineering leadership for the pulp and paper industries.



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WET END PH
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PHE 1A 7.7
PHE 1B 7.8
PHV-1 23.5%
PHT 1
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HEADER
CIRC
PUMP
PHE 1
7.9
STOCK (MACHINE CHEST
82.7
WIRE
PIT
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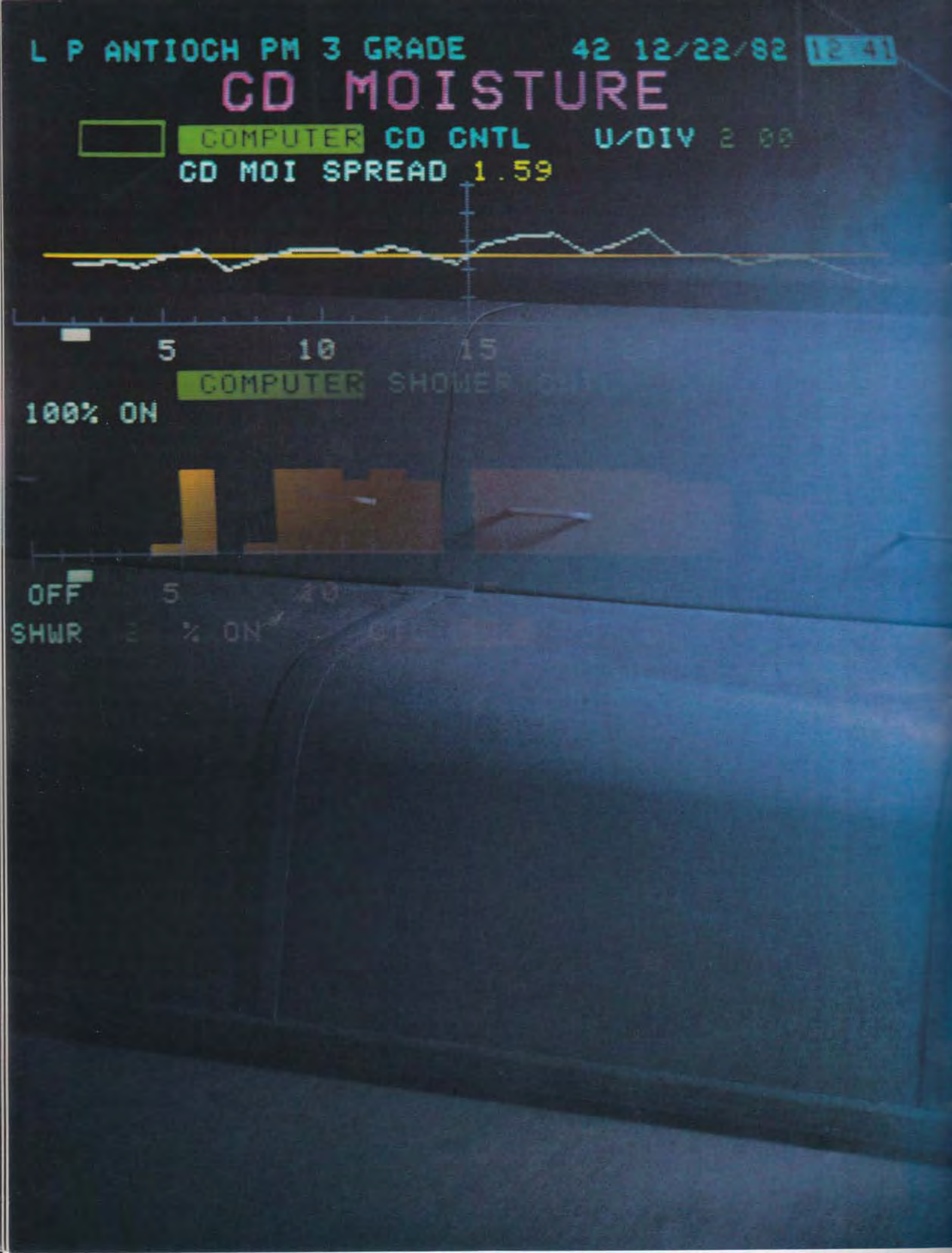
measurex
2001
High Reliability Scanner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5 10 15
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OFF 5
SHWR

Total Profile Control

The paper industry's need for improved product quality and production efficiency has led to the dramatic success and acceptance of Measurex' Total Profile Control concept.

Total Profile Control provides the technology to reduce cross direction weight, moisture, caliper and reel hardness variations to the lowest possible levels. The critical importance of the product profile on converting and machine performance has allowed Measurex' Total Profile Control to more than double the economic savings associated with the control of machine direction variations.

The Thermatrol™ weight profile control package utilizes Equilex thermally expandable slice rods developed by Chleq Froté and provides 50 to 80 percent reduction in weight profile variations. Benefits include up to 3 percent raw material and energy savings as well as significant converting efficiency performance.

The Aquatrol™ and Steamtrol™ systems for precise moisture control showed continued success in 1982. Over 130 installations of Caliper Profile Control have continued to reduce reel and winder rejects by 50 percent or more.

Measurex' Total Profile Control leadership is exemplified by seven years experience and 240 successful applications.

Controlling key paper cross direction variables multiplies individual control benefits and enhances total results.

Total line control offers unmatched measurement accuracy and control precision.

PLASTICS AND RUBBER

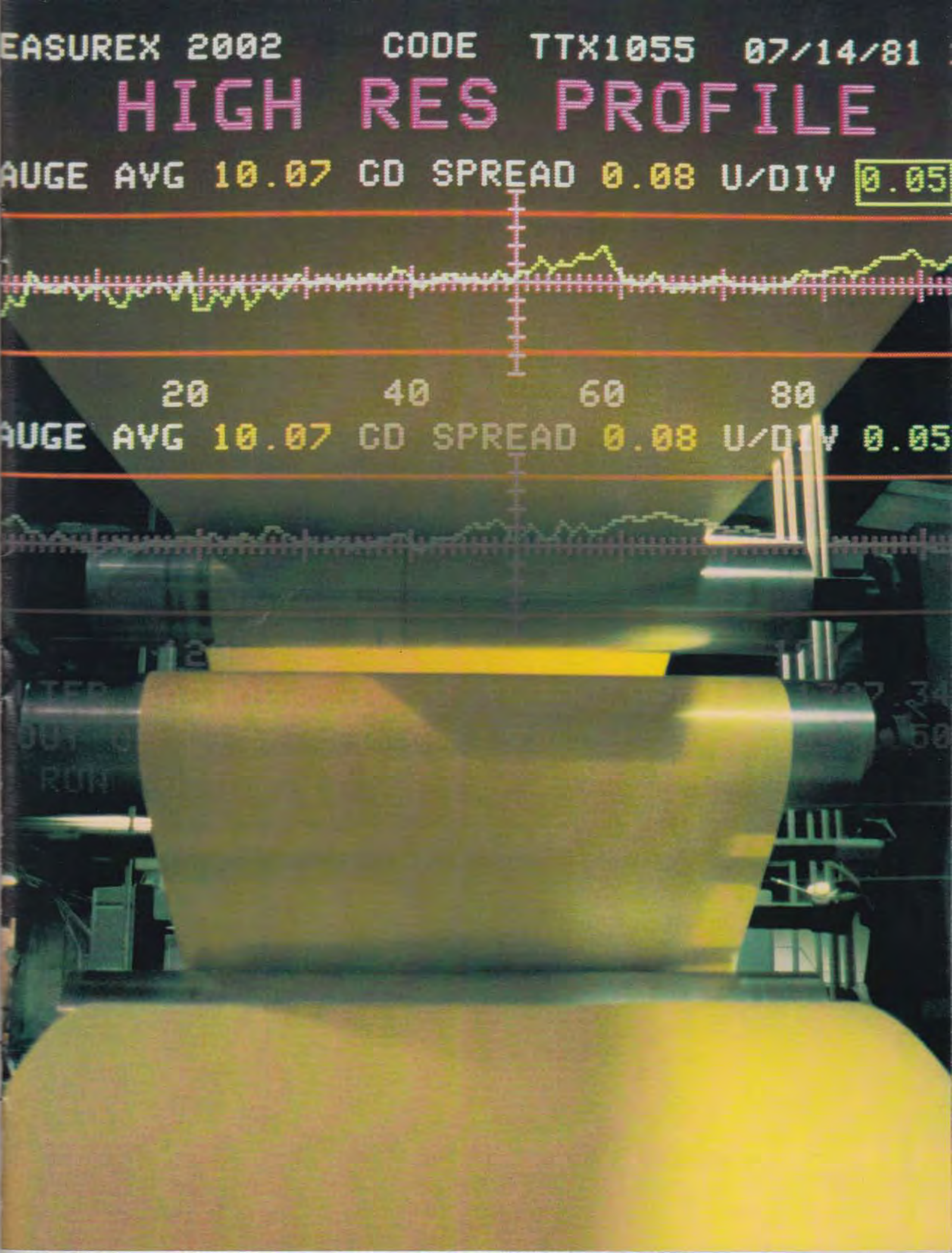
The plastics and rubber industries continue to remain on the leading edge of rapidly changing technologies, and therefore require the greatest process visibility and control capability for improved product quality.

The Measurex System 2002 provides the industries with a full array of capabilities from measurement only to total line control. Total line control brings all the key elements of a process into one functional operating system for the precise controls required for increased product quality and profitability.

Measurex System 2002 continues to provide to the plastics and rubber industries typical paybacks of less than 12 to 18 months. Users of the System 2002 increase production throughputs up to 20 percent, obtain raw material savings of 5 to 10 percent by spread reductions of 50 to 70 percent, while improving product quality and increasing production efficiency.

Advanced automatic profile controls continue to gain popularity in these sheet processes. Extrusion AutoProfile™ control of cross directional sheet variations enhances savings and quality by maintaining typical sheet profile tolerances within 2 percent of specifications.

These innovative new features, along with other proven system benefits, provide superior results for a changing industry.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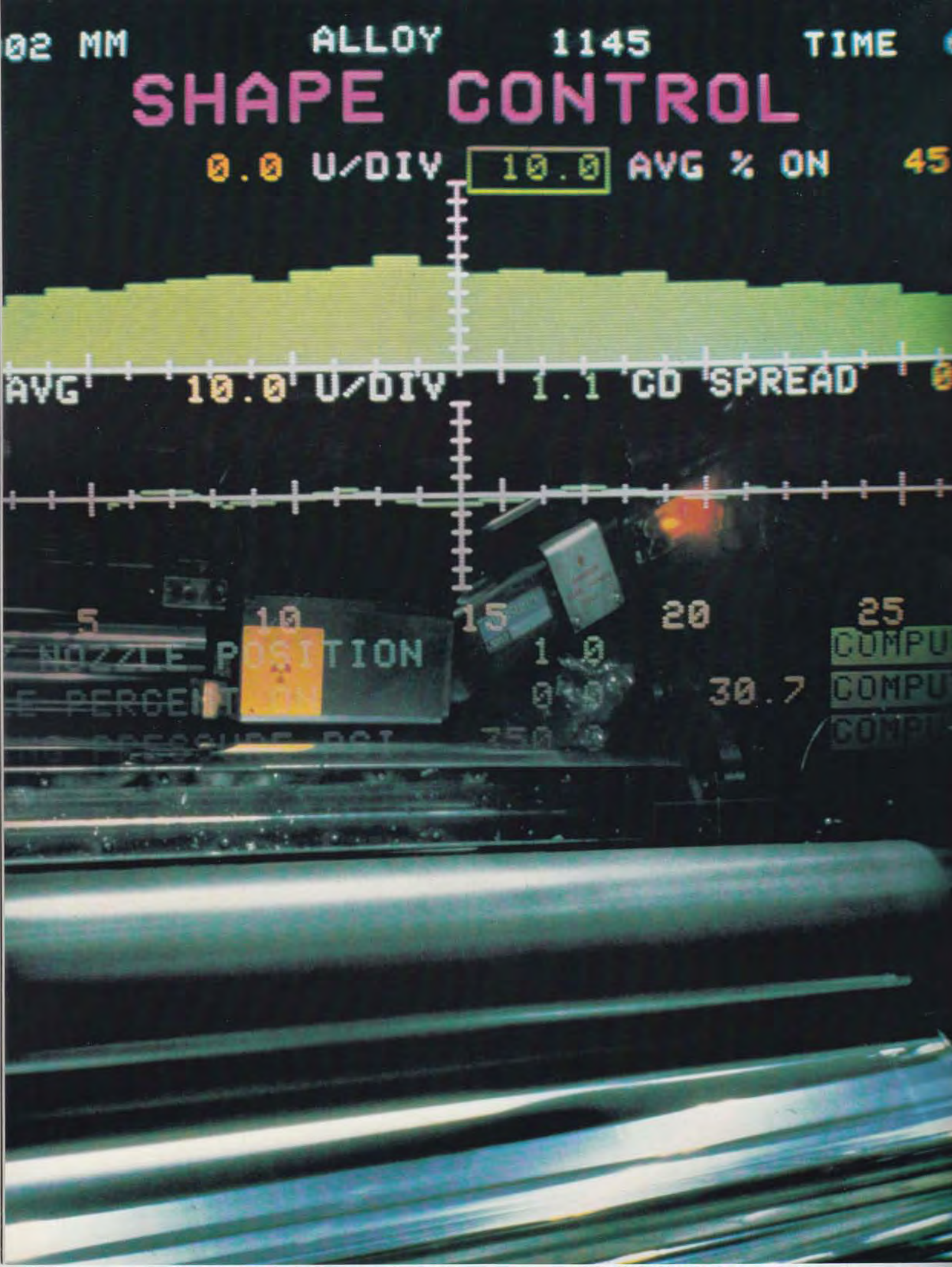
20 40 60 80
AUGE AVG 10.07 CD SPREAD 0.08 U/DIV 0.05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30.7

METALS

The Measurex Metals-Master™ system provides both improved productivity and profitability by increasing rolling speeds 10 to 30 percent. It increases finished product yield per unit weight by 2 to 5 percent, thus reducing waste and improving raw material usage. The MetalsMaster system also improves gauge uniformity by 50 to 75 percent for consistently higher product quality.

A significant new addition to the MetalsMaster system is shape control. Through the use of shape roll measurement devices, the MetalsMaster system is able to automatically adjust spray bars, roll tilt and bending to achieve an exceptionally flat sheet. This advanced control capability increases product quality while achieving even greater rolling speeds.

Utilizing an advanced generation of sensors, an expanded range of control strategies and comprehensive, flexible software, the MetalsMaster system provides the most rapid payback of any system available to the metals industry.

Productivity and product quality have never before taken on such a significant role in the metals industry. This rapid payback continues to be of key importance in an industry where productivity and product quality are critical.

Product quality is improved through the use of expanded control strategies.

Specific application of in-depth expertise maximizes heat rate improvement.

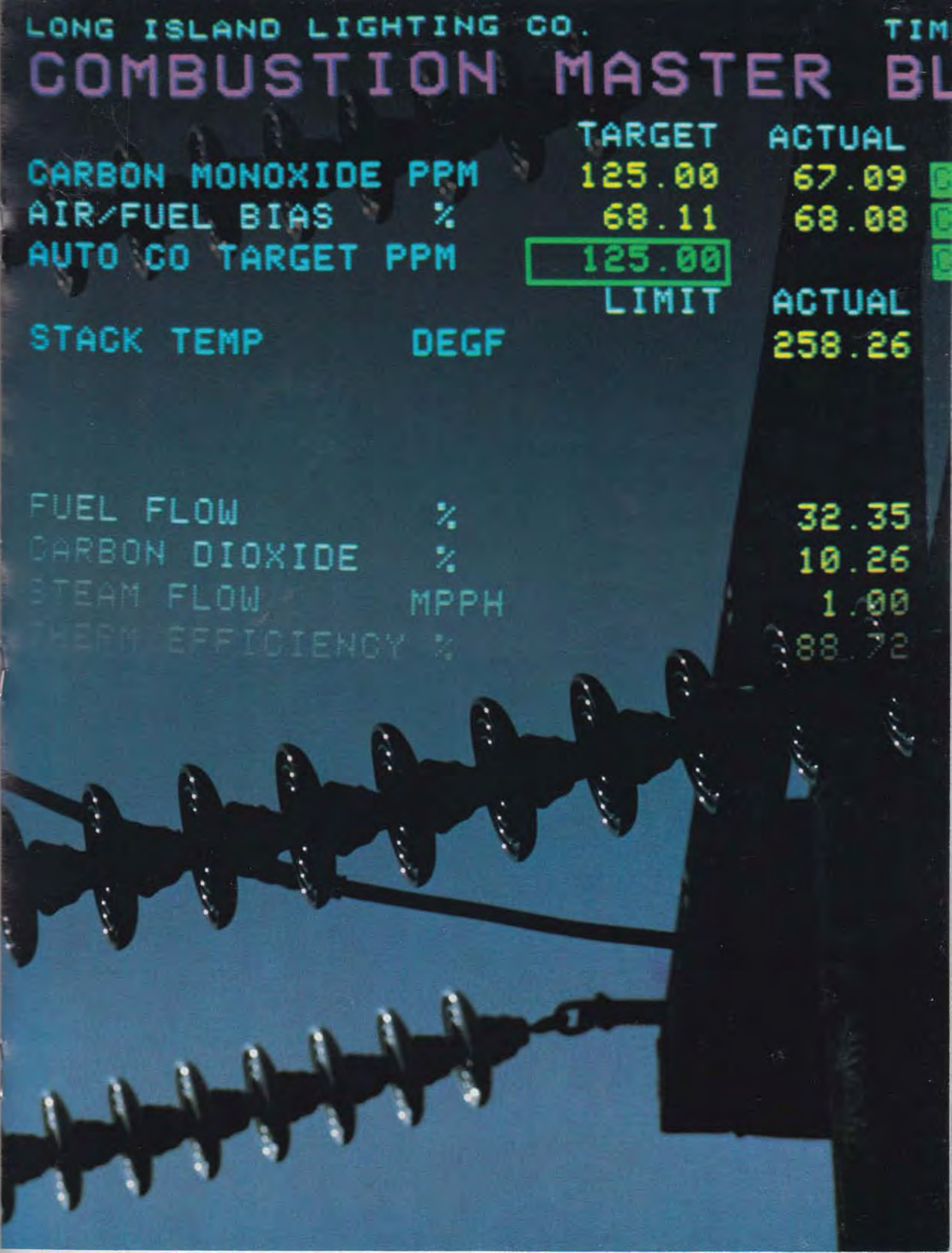
UTILITIES

The UtilityMaster™ system, introduced during 1982 for fossil fuel electrical generating plants, offers expanded market applications for Measurex. These fossil utility operations represent more than 80 percent of the power generating capacity of the United States.

The UtilityMaster system uses Measurex' carbon monoxide control to improve the combustion process, thereby saving fuel. The UtilityMaster system also provides on-line heat rate deviation monitoring and reporting as a tool for optimizing unit heat rate.

The UtilityMaster system has achieved heat rate improvements of 0.5% or better on the three major fuels used by the utility industry–pulverized coal, natural gas and fuel oil. The savings generated by the heat rate improvement typically provide utility customers with a system payback of less than one year.

The introduction of the UtilityMaster system extends Measurex' proven energy management control strategies to utility companies, affording these customers improved profitability and productivity.


LONG ISLAND LIGHTING CO.
COMBUSTION MASTER
TARGET ACTUAL
CARBON MONOXIDE PPM 125.00 67.09
AIR/FUEL BIAS % 68.11 68.08
AUTO CO TARGET PPM 125.00
LIMIT ACTUAL
STACK TEMP DEGF 258.26
FUEL FLOW % 32.35
CARBON DIOXIDE % 10.26
STEAM FLOW MPPH 1.00
EFFICIENCY % 88.72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TREND PLOT
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measurex
DynaCO
INTELLIGENT SENSOR

Chemical Processes

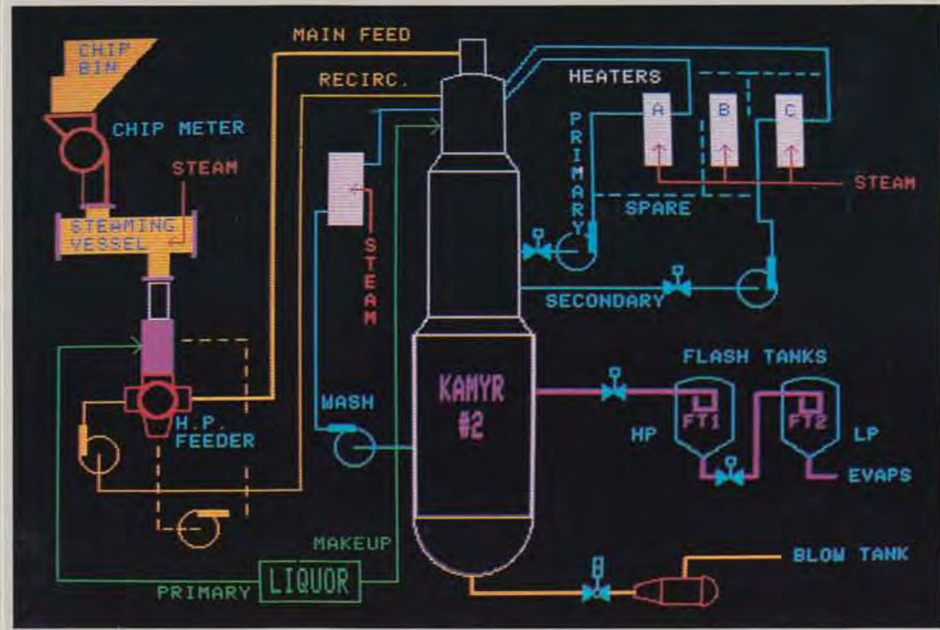
The current economic environment places a strong requirement for increased productivity on the chemical flow process industries. Process control computing systems are needed which give improved control over product quality, reduced energy costs and greater visibility into the process itself.

In pulp mills alone, Measurex has over 135 pulping processes under control worldwide, including continuous and batch digesters, bleach plants, brown stock washers and chemical recovery boilers. These systems typically produce a payback of 12 to 18 months by increasing product yield and lowering energy costs.

The recent introduction of the Measurex 2002 Advanced Lime Kiln Control system provides additional savings for pulping customers by reducing fuel costs by 6 to 10 percent. Stabilizing the lime kiln and causticizing processes also reduces chemical consumption.

Measurex' product offerings in this area were further expanded in 1982 by the announcement of both the 2002 DrierMaster™ system and the 2002 CalcinerMaster™ systems. These systems control the drying processes in direct fired rotary furnaces while at the same time greatly improving production rates.

The VISION 2002 Network significantly expands Measurex' product offering to this vital and growing industry segment.



Sophisticated plant-wide control expands process control capability and streamlines operator interfaces.

More than 1000 field technical personnel are dedicated to digital systems support worldwide.

SERVICE AND TRAINING

Measurex' commitment to quality and service began with the first system shipment in 1969. Today, there are over 1000 Measurex service employees worldwide dedicated to digital system performance for process control.

The combination of Measurex' extensive training program and the establishment of regional support centers, creates a multi-level service network which provides over 99 percent system availability, high operator usage and long system life.

With the increasing number of installed systems, Measurex created regional support centers. These centers, strategically located throughout the world, support the entire product line, including the new VISION 2002 Network.

The basis for Measurex' field service support is its fully equipped training center and laboratory at corporate headquarters. Classes of limited size are offered in all product lines by instructors with extensive field experience. The courses stress technical excellence and process knowledge by providing a 50 percent hands-on training experience. One third of the 300 course participants in 1982 were customer representatives.


TUNING MONITOR
LOOP ID: 1 TSF
PERIOD: 5 SEC
UTPUT
STOCK FLOW
% ERROR
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measurex
COURSE NOTES

Selected Financial Data

Fiscal years 1982, 1981, 1980, 1979 and 1978

(Amounts in thousands except for per share data)

	1982	1981	1980	1979	1978
Operating data					
Revenues	**$118,145**	$119,702	$122,033	$119,474	$ 88,541
Net income (loss)	**(350)**	2,101	7,323	9,928	8,763
Net income (loss) per share	**(.10)**	.60	2.09	2.82	2.60
Dividends per share	**.38**	.50	.50	.50	.36
Financial position at year end					
Working capital	**$ 36,390**	$ 49,373	$ 48,719	$ 54,474	$ 30,798
Total assets	**118,652**	129,256	131,668	136,192	108,140
Long-term debt	**9,297**	14,586	18,169	27,260	5,660
Total debt	**12,096**	18,052	22,967	33,795	21,550
Shareholders' equity	**75,318**	76,570	75,534	68,164	57,284
Statistics and key ratios					
Backlog at year end	**$ 36,400**	$ 44,300	$ 30,400	$ 37,800	$ 31,700
Net income (loss) as a percentage of:					
Revenues	**—**	2%	6%	8%	10%
Shareholders' equity at beginning of year	**—**	3%	11%	17%	18%
Current ratio at year end	**2.2**	2.6	2.7	2.7	1.8
Total debt as a percentage of year end shareholders' equity	**16%**	24%	30%	50%	38%

Management Discussion and Analysis

Liquidity and Capital Resources

While operations resulted in a loss for 1982, the Company maintained a strong financial position. Total debt for Measurex, including that of its nonconsolidated finance subsidiaries, was $19.0 million at the end of 1982, a reduction of $10.2 million from year end 1981.

Debt of the Corporation was 16 percent of shareholders' equity at year end 1982 representing a 68 percent reduction in the debt to equity ratio since 1979. The current ratio decreased to 2.2.

No significant capital additions outside the ordinary course of business are anticipated, although the Company intends to complete the purchase, for approximately $1.0 million, of manufacturing facilities presently leased in Waterford, Ireland.

In view of current business conditions, the Board of Directors omitted the fourth quarter dividend on the capital stock. The Board reviews the subject of dividends on a quarterly basis.

The availability of funds under the Company's long-term loan agreement and short-term bank lines of credit remains relatively unchanged from November 29, 1981. Measurex believes that its financial position, future earnings and borrowing capabilities provide adequate flexibility to fund ongoing financial requirements.

Results of Operations

In 1982 total revenues of $118.1 million declined $1.6 million and $3.9 million from 1981 and 1980, respectively. Sales and installation revenues declined $7.9 million from 1981 and $17.2 million from 1980, resulting from the competitive climate and reductions of unit shipments, which reflects adverse business conditions within those industries served by Measurex.

Service revenues increased to $52.1 million, improving by $6.4 million over 1981 and $13.4 million over 1980. These increases in service revenue were due to an increased number of systems being serviced and improved pricing.

The decline in sales and installation margins over the past three years, from a level of 54% in 1980 to 40% in 1982, was the result of competitive conditions, product mix, cost overruns on several large systems, and higher period costs due to the lower number of system shipments.

Service margins have improved from 10% in 1980 to 23% in 1982 as a result of higher service revenue combined with reduced costs resulting from continued control efforts and efficiencies obtained from increased system density.

The increase in product development expense over the past years represents the Company's ongoing investment in future products and technology.

Selling and administrative expenses decreased by $1.6 million from 1981, reflecting increased efficiency and cost control efforts in addition to decreased promotional expenses. 1981 promotion expenses included costs for the introduction of the 2002 product line. The increase over 1980 is primarily inflation related.

Interest expense has trended down over the past two years as a result of a decline in average borrowings combined with lower interest rates.

During the current year, several of the Company's foreign subsidiaries which previously had incurred operating losses turned profitable. The extraordinary credit for 1982 represents the use by these subsidiaries of the prior period losses to reduce income taxes otherwise payable. The Company's net tax benefit after the credit resulted in an overall tax benefit of 42% of the loss before income taxes and extraordinary credit. In preceding years 1981 and 1980, the Company's tax expense had been 42% and 32% respectively, of income before income taxes. The increase in the tax rate for 1981 resulted from the decrease in system shipments within Europe, reducing the amount of tax holiday income realized by the Company's manufacturing operation in Ireland.

CONSOLIDATED STATEMENTS OF OPERATIONS

Fiscal years 1982, 1981 and 1980

(Amounts in thousands except per share data)

	1982	1981	1980
Revenues:			
Sales and installation	**$ 66,084**	$ 74,022	$ 83,324
Service	**52,061**	45,680	38,709
	118,145	119,702	122,033
Costs and expenses:			
Sales and installation	**39,853**	38,620	38,514
Service	**40,015**	36,739	34,666
Product development	**8,193**	7,301	6,317
Selling and administrative	**29,091**	30,711	28,014
Interest expense	**2,904**	4,822	5,216
Other income and expense	**(1,308)**	(2,113)	(1,463)
	118,748	116,080	111,264
Income (loss) before income taxes and extraordinary credit	**(603)**	3,622	10,769
Provision for income taxes	**(782)**	(1,521)	(3,446)
Income (loss) before extraordinary credit	**(1,385)**	2,101	7,323
Extraordinary credit	**1,035**	—	—
Net income (loss)	**$ (350)**	$ 2,101	$ 7,323
Income (loss) per share before extraordinary credit	**$ (.39)**	$ .60	$ 2.09
Net income (loss) per share	**$ (.10)**	$ .60	$ 2.09
Dividends per share	**$ .38**	$ .50	$ .50
Average number of common and common equivalent shares	**3,546**	3,524	3,507

The accompanying notes are an integral part of the financial statements.

Consolidated Balance Sheets

Fiscal years 1982 and 1981

(Amounts in thousands except share data)

	1982	1981
Assets		
Current assets:		
Cash	$ 3,397	$ 3,076
Accounts receivable	32,441	41,025
Inventories	29,651	34,881
Prepaid expenses	1,259	786
Total current assets	66,748	79,768
Contracts receivable	6,528	3,117
Service parts	13,147	11,760
Property, plant and equipment	23,675	23,163
Investments in nonconsolidated finance subsidiaries	6,866	8,335
Other assets	1,688	3,113
Total assets	$118,652	$129,256
Liabilities and Shareholders' Equity		
Current liabilities:		
Notes payable	$ 2,555	$ 3,114
Current portion of long-term debt	244	352
Accounts payable	4,316	5,387
Accrued expenses	19,197	18,871
Income taxes payable	1,748	2,392
Deferred income taxes	2,298	279
Total current liabilities	30,358	30,395
Long-term debt	9,297	14,586
Deferred income taxes	3,679	7,705
Shareholders' equity:		
Preferred stock	—	—
Capital stock, without par value:		
Authorized: 15,000,000 shares; outstanding:		
1982–3,560,829; 1981–3,532,834	35,311	34,898
Retained earnings	40,007	41,672
Total shareholders' equity	75,318	76,570
Total liabilities and shareholders' equity	$118,652	$129,256

The accompanying notes are an integral part of the financial statements.

Consolidated Statements of Shareholders' Equity

Fiscal years 1982, 1981 and 1980
(Amounts in thousands except share data)

	Capital Stock		Retained	
	Shares	Amount	Earnings	Total
Balance November 30, 1979	3,411,515	$32,443	$35,721	$68,164
Net income	—	—	7,323	7,323
Stock issued under employee stock purchase and stock option plans	26,375	513	—	513
Stock issued upon exercise of warrants	50,000	1,251	—	1,251
Dividends	—	—	(1,717)	(1,717)
Balance November 30, 1980	3,487,890	34,207	41,327	75,534
Net income	—	—	2,101	2,101
Stock issued under employee stock purchase and stock option plans	44,944	691	—	691
Dividends	—	—	(1,756)	(1,756)
Balance November 29, 1981	3,532,834	34,898	41,672	76,570
Net loss	—	—	(350)	(350)
Stock issued under employee stock purchase and stock option plans	27,995	413	—	413
Dividends	—	—	(1,315)	(1,315)
Balance November 28, 1982	**3,560,829**	**$35,311**	**$40,007**	**$75,318**

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

Fiscal years 1982, 1981 and 1980
(Amounts in thousands)

	1982	1981	1980
Cash provided			
Operations:			
Income (loss) before extraordinary credit	**$ (1,385)**	$ 2,101	$ 7,323
Items not affecting cash:			
Depreciation			
Service parts	**2,258**	1,711	1,461
Property, plant and equipment	**2,759**	2,462	2,374
Deferred income taxes	**(2,007)**	(1,948)	486
Other, net	**40**	1,451	858
Cash provided by operations before extraordinary credit	**1,665**	5,777	12,502
Extraordinary credit	**1,035**	—	—
Cash provided by operations	**2,700**	5,777	12,502
Decrease (increase) in:			
Inventories and service parts	**1,585**	(3,270)	949
Investments in nonconsolidated finance subsidiaries	**1,469**	4,808	(2,015)
Accounts and contracts receivable	**5,173**	(240)	4,849
Issuance of capital stock under employee stock purchase and stock option plans	**413**	691	1,764
Reclassification of long-term deposits	**1,650**	—	—
Total cash provided	**12,990**	7,766	18,049
Cash used			
Expenditures for property, plant and equipment	**3,311**	3,427	5,639
Reduction of debt	**5,956**	4,915	10,828
Decrease (increase) in:			
Accounts payable and accrued expenses	**745**	(2,656)	1,053
Income taxes payable	**644**	(759)	499
Other, net	**698**	429	(651)
Dividends	**1,315**	1,756	1,717
Total cash used	**12,669**	7,112	19,085
Increase (decrease) in cash	**321**	654	(1,036)
Cash at beginning of period	**3,076**	2,422	3,458
Cash at end of period	**$ 3,397**	$ 3,076	$ 2,422

The accompanying notes are an integral part of the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollar amounts in thousands unless otherwise noted)

Summary of Significant Accounting Policies

Fiscal Year

The Company uses a 52-53 week fiscal year. References to 1982, 1981 and 1980 are for the fiscal years ended November 28, 1982, November 29, 1981 and November 30, 1980, respectively.

Consolidation

The consolidated financial statements include all subsidiaries, other than the wholly-owned finance subsidiaries, after elimination of intercompany balances and transactions. The investments in the nonconsolidated finance subsidiaries are reported on the equity basis. Income from the finance subsidiaries included in the Company's consolidated statements of operations is before income taxes and after elimination of amounts earned from parent companies.

Foreign Currency Translation

Foreign currency balance sheet accounts are translated into United States dollar equivalents at year end rates of exchange, except for property, plant and equipment, inventories, service parts and certain other accounts which are translated at historical rates. Accounts included in the statements of operations are translated into United States dollar equivalents using rates of exchange which approximate the average rates in effect during the year, except that depreciation of plant, equipment, service parts and costs of inventory used are translated at historical rates.

Net foreign currency exchange adjustments, including those resulting from forward exchange contracts, are included in net income (loss) except for gains and losses resulting from forward exchange contracts which are intended to be a hedge of an identifiable foreign currency commitment. Such forward exchange contract gains or losses are deferred and included in the dollar basis of the related foreign currency transaction.

Revenue Recognition

Revenue is recognized in accordance with the following:

- At the time of shipment for products sold to customers or third-party financing institutions;
- At the time of shipment for products financed under lease transactions which qualify as sales-type leases; and
- At the time of performance for services.

Since its inception, it has been the Company's practice to grant its customers an initial period, generally six months following installation, in which to evaluate systems. During the initial period, customers may return the system and receive a refund of all or a portion of monies paid. The Company has provided amounts which, in the opinion of management, are sufficient to absorb any such refunds.

Product Development Expenses

The Company is actively engaged in basic technology and applied research and development programs which are designed to develop new or improved products and process applications. The cost of these programs is charged to expense as incurred.

Income Taxes

Taxes are provided for items included in the consolidated statements of operations regardless of the period when such items may be reported for tax purposes.

Provision has not been made for income taxes relating to distribution of the total accumulated earnings from the Company's Irish and Domestic International Sales Corporation (DISC) subsidiaries, since it is the Company's present intention to utilize substantially all of the undistributed earnings of these companies in its foreign operations and qualified export activities.

Investment tax credits relating to the acquisition of eligible assets are accounted for using the flow-through method.

Inventory Valuation

Inventories are stated at the lower of standard cost (which approximates actual cost determined on a first-in, first-out basis) or market.

Inventories are composed of the following:

	1982	1981
Purchased parts and components	$13,873	$18,316
Work in process	8,127	9,467
Finished subassemblies and systems	7,651	7,098
	$29,651	$34,881

Depreciation
Property, plant, equipment and service parts are depreciated on a straight-line basis over estimated useful lives which range as follows: buildings and improvements–3 to 60 years; machinery and equipment–3 to 20 years; and service parts–10 years.

Net Income (Loss) Per Share
Net income (loss) per share is computed based on the weighted average number of common shares outstanding during the year adjusted to reflect the assumed exercise of outstanding employee stock options and warrants to the extent these items had a dilutive effect on the computation.

Audit Committee of the Board of Directors

The Company has an Audit Committee of the Board of Directors. This Committee, which includes independent directors only, meets with the Company's financial management and its independent accountants at various times during each year and reviews internal control conditions, audit plans and results, and financial reporting procedures.

Accounts Receivable

Accounts receivable are summarized below:

	1982	1981
Accounts receivable	$37,334	$42,854
Less:		
Allowance for noncollection and system returns	4,893	1,829
	$32,441	$41,025

Contracts Receivable

Contracts receivable are summarized below:

	1982	1981
Contracts receivable	$10,880	$5,376
Less:		
Unearned financing income	2,631	1,010
Allowance for noncollection and system returns	73	414
	8,176	3,952
Current portion	1,648	835
	$ 6,528	$3,117

The aggregate amount of payments receivable by the Company in fiscal years subsequent to 1982 is set forth below:

1983–$2,624	1986–$1,901
1984–$2,631	1987–$ 993
1985–$2,384	Thereafter–$ 347

Third-Party Transactions

The Company has agreements with bank leasing subsidiaries under which the leasing companies may purchase Measurex systems subject to leases to Measurex customers. Generally, sales of systems under these agreements are at amounts approximating end user purchase prices.

In addition, at various times, the Company has sold portions of its domestic and foreign lease contracts receivable and the related equipment to certain unrelated third-party lessors and has discounted purchase contracts receivables with unrelated financing institutions.

These transactions have been made on both a non-recourse and full-recourse basis. In certain instances the Company is entitled to participate in revenues received at the conclusion of the basic lease term. In addition, in certain instances, the Company has agreed to assist, for a fee, in remarketing systems when they come off lease.

At November 28, 1982, the Company was contingently liable for approximately $10.1 million relating to these transactions.

Service Parts

Service parts are comprised of the following:

	1982	1981
Service parts, at cost	$16,824	$15,599
Less:		
Accumulated depreciation	3,677	3,839
	$13,147	$11,760

Property, Plant and Equipment

Property, plant and equipment are recorded at cost and are comprised of the following:

	1982	1981
Land	$ 3,077	$ 3,150
Buildings and improvements	15,180	14,746
Machinery and equipment	17,563	16,057
Other	631	436
	36,451	34,389
Less:		
Accumulated depreciation	12,776	11,226
	$23,675	$23,163

Notes Payable

Details of notes payable as of November 28, 1982 are presented below:

	Maximum Commitment	Borrowings
Multi-currency Working Capital Agreements	$33,500	$2,555
Canadian Currency Working Capital Agreement	2,425	–
	$35,925	$2,555

The multi-currency Working Capital Agreements are unsecured lines of credit with eight banks which provide for domestic dollar borrowings, Eurocurrency advances or Prime Bankers' Acceptances.

The agreements, which expire during fiscal year 1983, provide for interest rates ranging from below the prime rate of the particular lending bank to 103% of such rate, depending upon the type of borrowing; maintenance of average non-interest bearing demand deposits (not legally restricted) with lending banks in amounts equal to approximately 5% of each bank's domestic dollar borrowing commitment; and, adherence to certain covenants regarding working capital and indebtedness.

Long-Term Debt

Long-term debt consists of the following:

	1982	1981
Revolving term loan	$3,000	$ 8,400
8¼%, 8¾%, 9¼% mortgages payable in monthly installments through 2009	5,499	5,576
Other borrowings	1,042	962
	9,541	14,938
Less amount due within one year	244	352
	$9,297	$14,586

The Company has a Revolving Term Loan Agreement with four banks for a five year unsecured revolving $20.0 million term loan. At year end 1982 and 1981, $3.0 million and $8.4 million, respectively, of notes payable have been reclassified to long-term debt under this agreement.

During the revolving period, the agreement provides for:

- U.S. dollar advances with interest payable at the bank's prime rate plus fees in lieu of compensating balances.
  Bankers' Acceptances with interest computed at the Prime Bankers' Acceptance rate plus commissions.
- Multi-currency advances with interest payable at ⅝% over the London Interbank Offered Rate (LIBOR).

On February 29, 1984, all outstanding Bankers' Acceptances are to be repaid and all outstanding U.S. dollar and multi-currency advances convert to three year term debt with twelve approximately equal quarterly payments at the following rates:

- U.S. dollar advances with interest payable at the bank's prime rate plus ½% with fees in lieu of compensating balances.
- Multi-currency advances with interest payable at 1% over LIBOR.

This loan agreement requires the Company to maintain minimum working capital and indebtedness ratios, interest coverage and a minimum shareholders' equity.

Aggregate principal payments on long-term debt in each of the next five years and thereafter are as follows:

1983–$ 244	1986–$1,258
1984–$1,047	1987–$ 426
1985–$1,281	Thereafter–$5,285

Accrued Expenses

Accrued expenses are comprised of the following:

	1982	1981
Accrued payroll and related items	$ 6,502	$ 7,006
Accrued initial service	3,948	3,047
Customer deposits	2,618	1,433
Other	6,129	7,385
	$19,197	$18,871

Preferred Stock

The preferred stock has a par value of $1.00 per share. At year end 1982 and 1981, 1,000,000 shares were authorized but none were outstanding.

Stock Option Plans

Under the Company's stock option plans, 800,000 shares of capital stock have been reserved for issuance to officers and key employees.

Options may be granted at prices not lower than the fair market value of the Company's capital stock at the date of grant. Options generally become exercisable in four equal annual installments commencing one year from the date of grant. Options expire, if not exercised, within five years from the date of grant.

In October 1981, the Company authorized a regranting of various options at $16.31 which was approved by shareholders in fiscal year 1982. 245,975 options were rescinded during fiscal year 1982. Employees who rescinded higher priced options lost all vested rights to exercise such options.

A summary of transactions relating to options during fiscal year 1981 and 1982 is set forth below:
(Amounts in thousands except per share data)

	Options Outstanding		
	Shares	Price Per Share	Amount
November 30, 1980	294.9	$ 9.75–$44.00	$ 6,796
Granted	80.6	16.13– 25.81	1,958
Terminated	(40.9)	9.75– 44.00	(1,031)
Exercised	(21.6)	9.75– 18.75	(295)
November 29, 1981	313.0	13.25– 29.13	7,428
Granted	364.0	13.31– 17.25	5,982
Terminated	(315.8)	13.25– 29.13	(7,431)
Exercised	(1.8)	13.25– 13.63	(24)
November 28, 1982	359.4	$13.31–$29.13	$5,955

At year end 1982 and 1981, options to purchase 65,500 shares and 77,900 shares were exerciseable at prices ranging from $16.31 to $29.13 and from $13.25 to $29.13, respectively. Shares available for option grants at year end 1982 and 1981 were 440,600 and 350,900, respectively.

The Company makes no charges to operations in connection with its stock option plans.

Other Income and Expense

Components of other income and expense are as follows:

	1982	1981	1980
Interest income	$1,337	$1,044	$1,404
Income from finance subsidiaries	490	914	559
Foreign exchange adjustments, net	(519)	155	(500)
	$1,308	$2,113	$1,463

Income Taxes

The provision for income taxes consists of the following:

	1982	1981	1980
Current income taxes:			
United States	$ —	$(1,253)	$ 666
Foreign	3,605	2,496	2,479
State	(16)	219	295
	3,589	1,462	3,440
Deferred income taxes:			
United States	(3,487)	167	(1,359)
Foreign	680	(108)	1,365
	(2,807)	59	6
Provision for taxes	782	1,521	3,446
Extraordinary credit from utilization of foreign tax loss carryforwards	(1,035)	—	—
Net tax expense (benefit)	$ (253)	$ 1,521	$ 3,446

The major components of the provision not currently payable result from:

	1982	1981	1980
Taxes provided on undistributed earnings of foreign subsidiaries	$ 107	$ 211	$1,008
Taxes on unrealized intercompany profit in inventory	265	(261)	(204)
Revenue deferred for tax purposes	146	965	(571)
Tax accounting for:			
Finance leases	(276)	(534)	(866)
Depreciation	607	(849)	97
Inventory reserves	(53)	990	373
Noncollection and system return reserves	(1,295)	(333)	(33)
Deferred compensation	141	(207)	—
Unrealized foreign exchange adjustments	23	(50)	160
State income taxes	212	125	34
Other	(42)	2	8
Book benefit of U.S. tax loss carryforwards	(2,475)	—	—
Book benefit of investment tax credit carryforwards	(167)	—	—
	$(2,807)	$ 59	$ 6

At November 28, 1982 the Company has cumulative net operating loss carryforwards for U.S. income tax purposes of approximately $5.4 million expiring in 1997. The Company also has investment tax credit carryforwards of approximately $1.4 million which may be utilized to reduce U.S. income taxes payable. The investment tax credit carryforwards expire in varying amounts during the years 1989 through 1997. Utilization of these net operating loss and investment tax credit carryforwards will not affect net income for financial reporting purposes.

In addition, the Company has net operating loss carryforwards in various foreign subsidiaries of approximately $10.2 million at current exchange rates. Of these losses, approximately $7.3 million expire between 1983 and 1987. The balance can be carried forward indefinitely. $6.7 million of these carryforwards will reduce net tax expense for financial reporting purposes if utilized.

The principal items accounting for the difference between income taxes computed at the U.S. statutory rate and the provision for income taxes are as follows:

	1982	1981	1980
U.S. statutory rate	(46.0)%	46.0%	46.0%
Effect of:			
Income of Irish subsidiary not subject to tax	(12.5)	(22.4)	(35.8)
Income of DISC not subject to tax	(31.8)	(11.2)	(1.7)
Losses of foreign subsidiaries not providing tax benefit	176.6	46.5	19.6
Tax credits	(105.1)	(19.4)	(1.1)
Translation of foreign currency accounts	59.7	(5.5)	.8
Income of foreign subsidiaries taxed at differing statutory rates	85.9	4.1	3.3
State income taxes	(1.5)	2.3	1.5
Other items	4.4	1.6	(.6)
Provision for income taxes	129.7	42.0	32.0
Extraordinary credit from utilization of foreign tax loss carryforwards	(171.7)	—	—
Net tax expense (benefit)	(42.0)%	42.0%	32.0%

The accumulated net income of the Company's DISC for which no provision for income taxes has been made is approximately $5.2 million at November 28, 1982.

The Company's Irish subsidiary operates under a tax holiday granted by the Republic of Ireland which extends, at a minimum, to 1993. The accumulated undistributed net income of the Irish subsidiary for which no provision for taxes has been made is approximately $34.3 million at November 28, 1982.

Employee Benefit Plans

The Company has a profit sharing plan for eligible employees, which provides for contributions of up to 10% of consolidated income before provision for income taxes and amounts payable under the plan.

The Company has a management incentive plan which provides for payments to officers and senior management employees from an annual incentive fund determined by several factors relating to the financial performance of the Company.

The Company has reserved 250,000 shares of its authorized but unissued capital stock for issuance under an employee stock purchase plan. The plan covers substantially all the employees of the parent company and its domestic subsidiaries. The participant's purchase price is 85% of the closing market price on the last trading day of the quarter in which the stock is purchased by the employee. The 15% discount is treated as equivalent to the cost of issuing stock for financial reporting purposes. For tax purposes, it is treated as compensation to the employee, and the resulting tax benefit to the Company is credited to Capital Stock. The Company has issued 56,445 shares of its stock under this plan as of November 28, 1982.

Business Segments
The Company manufactures and markets sensor-based computer process control systems for use in continuous process industries and energy-intensive applications. The principle markets for its products include the pulp and paper, rubber, plastic and metals industries and steam generating plants.

No single customer accounted for 10% or more of revenues during 1982, 1981 or 1980.

The Company's products are principally distributed and serviced through its own marketing and service organizations. Operations are conducted worldwide and are grouped into three geographic areas: United States, Europe, and Other (primarily Canada, the Far East, and the Southern Hemisphere countries).

The following table summarizes the geographic operations of the Company:

(Amounts in millions)

1982	United States	Europe	Other	Adjustments and Eliminations	Consolidated
Revenues:					
External	$52.9	$38.6	$26.6	$ —	$118.1
Internal	25.1	—	.4	(25.5)	—
Total	$78.0	$38.6	$27.0	$(25.5)	$118.1
Operating income (loss)	$ (.9)	$ (.7)	$ 2.0	$ .6	$ 1.0
Identifiable assets	$70.3	$33.3	$19.9	$ (4.8)	$118.7
1981					
Revenues:					
External	$57.0	$37.8	$24.9	$ —	$119.7
Internal	23.0	—	.1	(23.1)	—
Total	$80.0	$37.8	$25.0	$(23.1)	$119.7
Operating income (loss)	$ 6.5	$ (.7)	$ 1.1	$ (.6)	$ 6.3
Identifiable assets	$68.1	$46.7	$19.2	$ (4.7)	$129.3
1980					
Revenues:					
External	$48.8	$48.2	$25.0	$ —	$122.0
Internal	18.7	—	.1	(18.8)	—
Total	$67.5	$48.2	$25.1	$(18.8)	$122.0
Operating income	$ 6.0	$ 7.5	$ 1.4	$ (.4)	$ 14.5
Identifiable assets	$67.1	$47.8	$21.2	$ (4.4)	$131.7

- Internal revenues accrue to the manufacturing operations from product sales to non U.S. subsidiaries which are principally sales and service operations.
- Internal selling prices are designed to allocate manufacturing profits to manufacturing entities and sales and service profits to sales and service entities.
- Operating income (loss) is derived by adding interest expense to and deducting other income and expense from income before income taxes.

Of the total U.S. revenue in 1982, 1981 and 1980, approximately $19.0 million, $22.0 million and $12.0 million, respectively, are export sales (all to Other).

Income (loss) before taxes for United States locations for 1982, 1981 and 1980 is $(6.7) million, $(.9) million, and $(.8) million, respectively. Income before taxes for foreign locations for 1982, 1981 and 1980 is $6.1 million, $4.5 million and $11.6 million, respectively.

Nonconsolidated Finance Subsidiaries
The combined Measurex Credit Companies consist of Measurex Credit Corporation (U.S.), Measurex Credit (Canada) Limited, and Measurex Credit (U.K.) Limited.

Following is a combined summary of the financial information of the nonconsolidated finance subsidiaries:

Combined Balance Sheets	1982	1981
Assets:		
Cash	$ 20	$ 5
Lease and other contracts receivable	18,090	24,332
Due from parent companies	7,465	5,548
Other assets	—	87
	$25,575	$29,972
Liabilities and Shareholders' Equity:		
Accrued liabilities	$ 34	$ 177
Bank debt	6,900	11,095
Obligations under capital leases	4,310	4,817
Shareholders' equity	14,331	13,883
	$25,575	$29,972

Combined Statements of Operations	1982	1981	1980
Interest income	$1,859	$2,493	$3,003
Earnings from parent companies	587	1,940	648
Total income	2,446	4,433	3,651
Interest expense	1,355	1,573	2,328
Other expenses	14	6	116
Income before income taxes	1,077	2,854	1,207
Provision for income taxes	629	527	1,028
Net income	$ 448	$2,327	$ 179

The Company has agreed to compensate the nonconsolidated finance subsidiaries if their earnings before income taxes and fixed charges are less than one and one-half times the fixed charges related to their outside indebtedness.

Report of Independent Certified Public Accountants

To the Shareholders
Measurex Corporation

We have examined the consolidated balance sheets of Measurex Corporation and Subsidiary Companies as of November 28, 1982 and November 29, 1981, and the related consolidated statements of operations, shareholders' equity and changes in financial position for each of the three fiscal years in the period ended November 28, 1982. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the consolidated financial position of Measurex Corporation and Subsidiary Companies at November 28, 1982 and November 29, 1981 and the consolidated results of their operations and changes in their financial position for each of the three fiscal years in the period ended November 28, 1982 in conformity with generally accepted accounting principles applied on a consistent basis.

Coopers & Lybrand

San Jose, California
December 22, 1982

Supplementary Financial Data

Interim Financial Information (Unaudited)

The Company's independent public accountants have made a limited review of the 1982 and 1981 interim financial information in accordance with standards for such reviews established by the American Institute of Certified Public Accountants. Their limited review did not constitute an audit and, accordingly, they do not express an opinion on the 1982 or 1981 interim financial information presented below:

(Amounts in thousands except per share data)

	Quarter Ended 1982			
	Feb 28	May 30	Aug 29	Nov 28
Revenues	$30,343	$31,955	$28,282	$27,565
Gross profit	10,183	11,554	7,310	9,230
Income (loss) before income taxes and extraordinary credit	293	1,411	(2,492)	185
Income (loss) before extraordinary credit	170	819	(2,070)	(304)
Extraordinary credit	—	—	624	411
Net income (loss)	170	819	(1,446)	107
Income (loss) per share before extraordinary credit	.05	.23	(.58)	(.09)
Net income (loss) per share	.05	.23	(.41)	.03
Dividends per share	.125	.125	.125	—
	Quarter Ended 1981			
	Mar 1	May 31	Aug 30	Nov 29
Revenues	$28,227	$31,085	$29,660	$30,730
Gross profit	11,354	11,310	10,731	10,948
Income before income taxes	1,619	1,205	325	473
Net income	1,069	692	65	275
Net income per share	.30	.20	.02	.08
Dividends per share	.125	.125	.125	.125

Market for the Registrant's Common Stock and Related Security Holder Matters

The Company's common shares are listed on the New York and Pacific Stock Exchanges. The price range of the Company's common shares during fiscal 1982 and 1981 follows:

	1982 Price		1981 Price	
	High	Low	High	Low
1st Quarter	$17⅝	$14⅜	$27⅞	$23
2nd Quarter	18½	15⅞	26¾	21½
3rd Quarter	16⅛	13	27⅜	20
4th Quarter	17	13⅝	20¼	13⅞

As of December 31, 1982, there were 1,806 shareholders of record.

The amount of dividends paid per common share was $.38 in 1982 and $.50 in 1981.

CORPORATE DIRECTORY

Directors of Measurex Corporation

***Paul Bancroft, III**
President,
Chief Executive Officer
Bessemer Securities Corporation
(Private investment company)

****Dwight C. Baum**
Advisory Director
Blyth Eastman Paine Webber Incorporated
(Investment banking firm)

David A. Bossen
President,
Chief Executive Officer
Measurex Corporation

***Dr. Orion L. Hoch**
President
Litton Industries
(A multi-industry company)

***John W. Larson**
Partner
Brobeck, Phleger and Harrison
(Law firm)

****John W. McKittrick**
President,
Telecommunications Research Corporation
(Telecommunications consulting firm)

****Graham Tyson**
Chairman,
Dataproducts Corporation
(Manufacturer of computer printers)

*Member of Compensation Committee
**Member of Audit Committee

Principal Officers of Measurex Corporation and Subsidiaries

David A. Bossen
President
Chief Executive Officer

John C. Gingerich
Executive Vice President

Fernand Ostiguy
President
Measurex International Corporation

Jerome Raffel
Senior Vice President
Operations

Donald L. Waite
Senior Vice President
Finance

Harry D. Biehl
Vice President, Service
Measurex Systems, Inc.

Dr. Doris S. Bossen
Vice President
Corporate Communications

John J. Burke
Vice President
Measurex Systems, Inc.

Morris J. Fealy
Vice President
Building Products–Europe

Erik J. Hallman
Vice President,
Managing Director
Measurex Europe–North

Edwin C. Johns
Vice President
Measurex Systems, Inc.

Thomas A. King
Vice President
Engineering

Lance M. Lissner
Vice President
Pacific Operations

Martin F. McCarthy
Managing Director
Measurex Ireland, Ltd.

William H. Moore
Vice President
Measurex Systems, Inc.

Phillip E. Peterson
Vice President
Personnel

John G. Preston
Vice President,
Managing Director
Measurex Europe–South

Phillip R. Trapp
Vice President
Marketing

Glenn R. Wienkoop
Vice President
U.S. Sales and Service

Riley R. Willcox
Vice President
Advanced Products Marketing

Fred R. Bierbrauer
Treasurer

John W. Larson
Secretary

Transfer Agent and Registrar:
Bank of America
N.T.&S.A.
San Francisco, CA

Auditors:
Coopers & Lybrand
San Jose, CA

General Counsel:
Brobeck, Phleger and Harrison
San Francisco, CA

Measurex' common stock is listed on the New York and Pacific Stock Exchanges and trades under the symbol MX.

**Measurex' Form 10-K, the Company's annual report filed with the Securities and Exchange Commission, will be sent without charge upon written request. Please write:
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