measurex

FACTBOOK

1996

Corporate Profile

Measurex is "The Results Company." It is a leading supplier of computer-integrated measurement, control and information systems.

The company's wide range of products provide economic results for customers by improving product quality, process efficiency and cost savings.

Industries served by the company are: paper, plastics, nonwovens, rubber, steel and non-ferrous metals.

Measurex and its subsidiaries employ approximately 2,700 persons, located in 50 offices and plants in 34 countries around the world. More than 1,380 of the employees are in the Sales and Service organization, serving the company's customers and their products worldwide. Approximately two-thirds of its systems are delivered to users outside of the United States.

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Number Nine
July 1996

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Measurex Purpose, Vision and Values

PURPOSE: WHY WE ARE HERE

To achieve superior results for our customers, shareholders, and employees, by being the leading supplier of measurement, control, and information systems and services.

VISION: WHAT WE WANT TO BE

We want to be the partner of choice for our customers — reflecting our superior results, dedication to quality and commitment to their success.

VALUES: THE WAYS BY WHICH WE STRIVE TO ACCOMPLISH OUR PURPOSE AND VISION

Customer Satisfaction — We listen to our customers. We are partners with them in improving their processes. We exceed their expectations and anticipate their needs.

Employee Satisfaction — We will make Measurex a great place to work.

Excellence — Be the best in what we do.

Innovation — We continuously improve our products, services, and processes through initiative and creative thinking.

Integrity — We are honest, fair, and ethical. We keep our commitments.

Ownership — Each of us takes responsibility for the quality of our work as we strive for the continuing success of our business.

Teamwork — We work together to achieve our goals. We value each other's contributions and communicate in an open and honest manner. We foster a climate of trust.

Introduction

In 1968, Measurex Corporation first began supplying systems to measure and control sheet and continuous manufacturing processes. Over the years, as technology has advanced, we have dramatically broadened our base of measurement, control and information products. Our growth has also expanded far beyond the largest industry we serve, paper. We now serve a fast-growing base of customers in the plastics, nonwovens, rubber, steel and non-ferrous metals industries. Throughout this growth, we've kept a constant focus on a single goal — to provide results for our customers, shareholders and employees.

Industry Outlook/Growth Strategy

Our desire to optimize our customers' processes is what drives Measurex to acquire and develop new products. Much of the credit for the successful introduction of these products goes to our worldwide sales and service organization. Our goal is to continuously feed this large organization — which we call "the tiger" — with new acquisitions and internally developed products. We spent $100 million on R&D in the past five years, developing new products to "feed this tiger" and benefit our customers.

In the past five years, we have also seen growth from five strategic acquisitions we've fed to the "tiger."

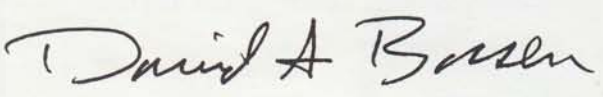
- Devron-Hercules, Inc., now Measurex Devron. Product: Profile (cross-direction) controls and actuators.
- Roibox Oy, now Measurex Roibox. Product: Camera-based system for detecting visual defects during production.
- ConceptOne™ product line from The Ohmart Corporation. Product: A low-cost, PC-based measurement and control system for plastics and other sheet processes.
- Data Measurement Corporation, now Measurex DMC. Product: Measurement systems for the steel industry.
- Loral Control Systems' Measurement Systems Business. Product: Thickness and sheet width gauges for use in the metals industry.

These acquisitions now make up a third of our total systems revenue. We expect to see that number grow as these acquired products continue to be marketed, distributed and supported worldwide.

Measurex Results Worldwide

Measurex has a worldwide installed base of more than 4,000 systems. Approximately 60 percent of company revenues come from outside the United States, which allows for balanced growth through regional recessions. Measurex had a record-setting year in 1995. We made two acquisitions, one which expanded coverage of the plastics market and one which launched us into a new industry: Steel. In the first half of 1996, we made another acquisition to strengthen our product offering in the steel industry.

Since our initial public offering in 1972, we have attained a 14 percent growth in sales through new product developments, strategic acquisitions and strong corporate alliances. With our commitment to technological development, focus on emerging industrial markets and worldwide sales and service organization, we are uniquely positioned to enjoy sales growth. Our entry into the steel industry and a new segment of the plastics market add to the growth in our established industries.



David A. Bossen
Chairman of the Board and
Chief Executive Officer

Business	Markets Served
 **Paper**	All grades of paper, such as: • Fine paper • Coated and uncoated sheet • Newsprint • Paperboard and linerboard • Tissue • Sack grade for paper bags
 **Industrial Systems**	• Plastics, film and coated products • Nonwovens • Rubber products and tires • Other process areas: chemical, fiberglass and pharmaceuticals
 **Metals**	• Steel sheet and plate for automobiles, building materials, beverage cans and major appliances • Aluminum products such as beverage and food cans, foil, siding and heat exchangers
 **Service**	• Paper • Metals • Industrial Systems

Quick Facts	Growth Strategy
• In 1995, Measurex had more than twice the order volume of our next largest competitor in paper machine integrated control systems. • Measurex's sensors and actuators measure and control nearly every aspect of paper product quality during production.	• Continued investment in developing new sensors and measurements that generate economic results for our customers. • Further penetration of the cross-direction controls market as well as new cross-direction control applications.
• Establishment of the Industrial Systems Division and the acquisition of the ConceptOne product line, a low-cost, PC-based measurement and control system for plastics and other sheet processes, gave Measurex opportunities in new markets. • Systems orders increased from $22 million in 1994 to $36 million in 1995.	• Provide process improvements and cost savings for customers. • Continue to develop and/or acquire products to take advantage of our worldwide distribution network and service organization.
• Measurex entered the steel industry with the acquisition of Data Measurement Corporation (DMC) in January 1996. DMC sales in 1995 were $30 million. • To further enhance the Company's position in the steel industry, Measurex acquired the Measurement Systems Business of Loral Control Systems, a manufacturer of thickness and sheet width gauges.	• Expand DMC's product offering to include control, information and sheet inspection systems. • Feed newly acquired and/or developed products to "the tiger" for immediate distribution and service.
• Services account for two-thirds of the service revenue, with the other third from spare part sales. • Over 60 percent of the more than 4,000 installed systems have a service contract with Measurex. • One-half of Measurex service contracts are full-service, with a Measurex employee on the customer site.	• Expand the range of services offered such as process analysis, training, software services and site management. • Through potential acquisition, provide our customers with a broader range of value-added services.

Paper Business

Paper Systems Overview

Measurex is the market leader in paper machine integrated control systems. In 1995, Measurex system orders for paper industry information and process control systems increased 69 percent. This increase is due to the industry's rebound from the recession and the company's ongoing efforts to expand its product offering.

The company's product line includes:

- Integrated control systems and sensors;
- Web inspection systems;
- Cross-direction profile control systems and actuators;
- Integrated machine monitoring systems;
- Millwide production and information management systems.

At the heart of Measurex systems are the sensors and actuators developed by Measurex which measure and control nearly every aspect of paper product quality during production, including basis weight, moisture, caliper, ash content, coating, smoothness, gloss, formation, opacity, strength and color.

The company's products are purchased as integrated systems for specific production applications or as individual units (as additions or upgrades to existing systems).

Markets Served

Measurex systems are used by the industry to reduce costs, increase production, improve quality and track company and mill performance. Measurex systems are used in the production of all kinds of paper products, including:

- Fine paper used for stationery and books;
- Coated sheet for magazines;
- Newsprint;
- Paperboard and linerboard for boxes;
- Sack grades for paper bags;
- Tissue.

Paper Customers

Measurex's customer roster in the paper industry includes many of the largest companies in the world. The following are a few representative companies: Champion International, Consolidated Paper, Georgia Pacific, International Paper, Kimberly Clark, Mead Paper, Oji Paper, Stone Container, Stora Group, United Paper Mills and Weyerhaeuser.

Product Competition

The market for process measurement and control has a large number of competitors, including distributed control system suppliers and package system suppliers, as well as factory automation system suppliers.

Measurex enjoyed an outstanding year in 1995, with more than double the order volume of its next largest competitor.

Competition in the supervisory measurement and process control business area includes the Process Automation Division of Asea Brown Boveri, Ltd., (ABB); Lippke (a subsidiary of Honeywell); Valmet Automation Inc., a division of Valmet Oy; and Yokogawa-YEW in Japan.

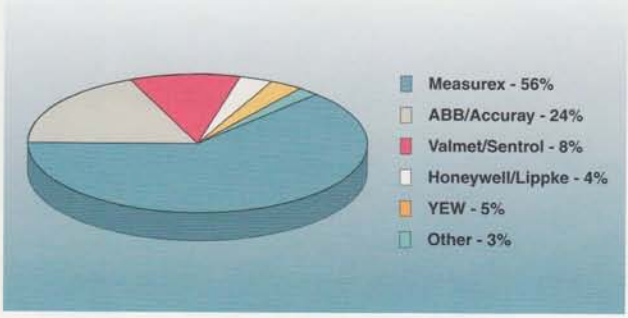
Industry Outlook/Growth Strategy

Replacement Market — The replacement market represents a significant sales opportunity as customers take advantage of current technology by replacing their older, fully depreciated systems. At the end of 1995, 34 percent of the system installed base was more than 10 years old. This will increase to 65 percent in the next five years. Measurex's ongoing enhancements to existing products, as well as the introduction of new products and applications, provide justification for system replacements through economic and quality results. Approximately 80 to 90 percent of the measurement systems shipped each year are sold to this

installed base, of which two-thirds are upgrades and retrofits of existing systems.

Cross-Direction Controls and Actuators — Although most world-class paper machines have installed measurement systems, the majority of these systems provide low resolution cross-direction profiles of the products being produced. Better resolution results in better control of product quality. Measurex's cross-direction control systems provide customers with high resolution profiles and controls. Measurex expects to penetrate this market with new cross-direction control products and applications such as the recently introduced InfraZone™ gas infrared drying systems for installation on a paper coating line.

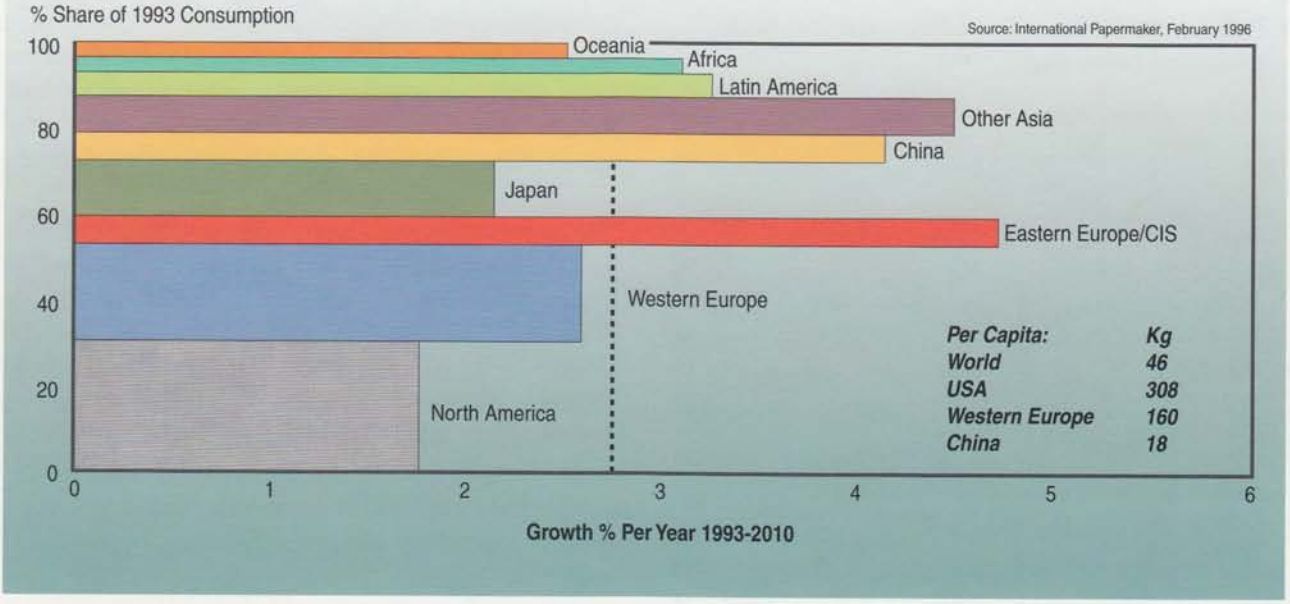
Web Inspection Systems (WIS) — The demand for web inspection systems, which provide real-time measurement of the visual properties of products, has grown from $4 million when Measurex acquired Roibox Oy in 1993 to $16 million in 1995. Only a small percentage of the market has been penetrated by modern technology CCD camera systems. The potential is expanding as new markets are being developed.



Since the introduction of MXOpen®, Measurex's market share for paper machine applications has averaged at approximately 56 percent.

	1970	1985	Now
Roibox (WIS)			300K
DCS		100K	300K
Cross Directional		200K	900K
Multiple Scanners		100K	400K
New Sensors		100K	300K
Base System	300K	300K	300K
Total	300K	800K	2500K

As a result of internal development and acquisitions, Measurex's order potential per paper machine has grown. As the product offering expands, the average size of each order increases.



A key driver in the paper industry is growth in world paper demand. Industry experts forecast that the emerging markets in Asia/Pacific, China, Eastern Europe/CIS and Latin America will grow at over three percent per annum in the next several years. With a population of over 2.0 billion people, this means a sharp growth in paper production in these markets. Measurex, with its worldwide sales and service organization, is well-positioned to participate in this market growth.

Industrial Systems Business

Industrial Systems Overview

The company has sharpened its focus on the industrial systems business, establishing an independent division in 1994. As a result, system orders increased from $22 million in 1994 to $36 million in 1995.

Markets Served

Measurex offers systems to increase productivity, reduce raw material and energy consumption and improve quality and uniformity in a number of industries besides paper.

Below are the industrial systems' markets served by Measurex and the types of products its customers produce.

- Plastics, Film and Coated Products — Candy wrap, magnetic media base, liquid packaging, food packaging, vinyl products, labels and tape;
- Nonwoven Products — Diaper liners, wipes, surgical drapes, roofing, filters, clothing, inner linings, floor mats and carpet backing;
- Rubber Products — Tire fabrics, roofing, tank liners and belts; and
- Other Process Areas — Chemical, fiberglass, plastic production, and pharmaceuticals.

Industrial Systems Customers

Measurex's industrial systems customer base is composed of many of the world's largest companies. Following are a few representative customers, by industry:

- Plastics, Film and Coated Products — Armstrong World Industries, E.I. Dupont de Nemours, Exxon, Monsanto, Nan Ya, Rhone Poulenc, Toray, 3M
- Nonwovens — BBA Nonwovens Ltd., Duni AB, E.I. Dupont de Nemours, FabrianoSoft, Freudenberg, Merfin Hygienics, PGI Nonwovens, 3M, Veratec/IP
- Rubber — Bridgestone/Firestone, Goodyear Tire and Rubber, Michelin
- Other Process Areas — Eli Lilly, FMC, Owens-Corning Fiberglas, St. Gobain-Vetrotex Fibers Group

Product Competition

In the industrial systems market, Measurex competes with a number of companies, typically focused on a specific geographic area or customer type. In the United States, competing companies include Eurotherm Gauging Systems, NDC and Asea Brown Boveri, Ltd. (ABB).

Industry Outlook/Growth Strategy

Over the past five years, Measurex has continued to apply its technologies to new markets. As a result of acquisitions and continual internal development, industrial system sales as a percentage of total system sales is expected to reach 12 percent in 1996. The company continues to invest in lower-priced, small systems to expand the breadth of its business and to take full advantage of OEM merchandising opportunities.

The company's near-term objective is to provide process improvements and cost savings for its customers. Measurex's longer-term direction is to continue to develop and acquire products to take full advantage of its product and application expertise and worldwide distribution network and service organization. Measurex has an installed base of more than 1,500 industrial systems around the world. The installed base generates follow-on sales, system upgrades and service revenue.

Metals Business

Metals Business Overview

Measurex is expanding its participation in the metals industry with the acquisition of Data Measurement Corporation (DMC) and the Measurement Systems Business of Loral Control Systems. The metals business is expected to be 13 percent of Measurex's total system sales in 1996.

Markets Served

Measurex DMC offers measurement systems to increase productivity, reduce raw material and energy consumption and improve quality and uniformity for the metals industry. Following are examples of the type of products made using Measurex systems.

- Steel — Automobiles, building materials, beverage cans and major appliances;
- Aluminum Products — Beverage and food cans, foil, siding and heat exchangers.

Metals Customers

- Aluminum — Alcan Aluminum, Aluminum Company of America (ALCOA), Reynolds Metals, Toyo Aluminum K.K.
- Steel — Bethlehem Steel, British Steel, Inland Steel, Kawasaki, Nippon Steel, Posco Steel, Rouge Steel, Sollac, U.S. Steel

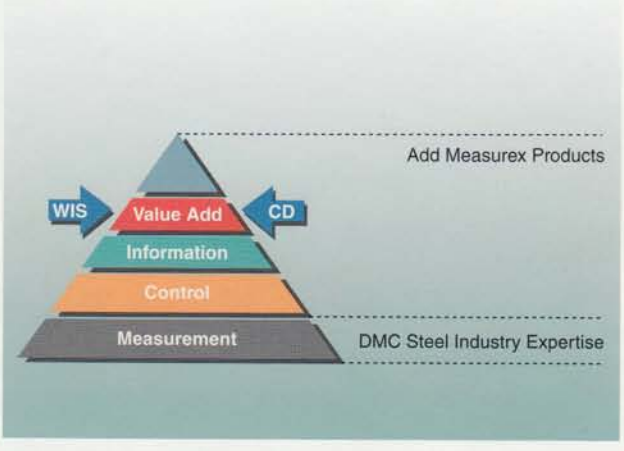
Product Competition

Measurex's major competitors in the steel industry all operate outside of the United States. They are: IMS (Germany); THI, a division of Thermo-Instrument Systems (Germany/England) and Toshiba (Japan).

Industry Outlook/Growth Strategy

The company's objective is to increase its metals revenue as well as improve operating income. This is expected to be accomplished by:

- Expanding the product line — the current systems provide the customer with measurement. As shown in the graph below, we believe we can add control, display, cross-direction control and web inspection while increasing the order potential per steel line from $0.2 million in 1996 to as much as $1.5 million in 1998.
- Reducing product costs — by utilizing Measurex's MXOpen standards-based computer platform and communication structure, the cost for electronics should drop substantially in 1998.
- Application software — the company plans to develop standard applications and increase the average software content of the systems.
- Improving margins — concentrate on selling and providing economic results for the customer; provide the customer with a higher return on their investment through cost savings and process efficiencies.



"We believe we can add control, display, cross-direction control and web inspection while increasing the order potential per steel line from $0.2 million in 1996 to as much as $1.5 million in 1998."– Glenn Wienkoop, President, Measurex Industrial Systems Division.

Sales and Service Organization: "The Tiger"

Sales and Service Organization Overview

"The tiger," as Measurex calls its worldwide sales and service organization, is the largest worldwide sales and service organization of any process control supplier in the industries the company serves. Measurex's growth strategy is to "feed the tiger" with new products that provide the process improvements and cost savings its customers are looking for.

Markets Served

More than 1,300 Measurex sales and service professionals provide our customers with both initial and continuing service. In 1994, revenue from Measurex's continuing service business accounted for almost 35 percent of the company's revenues.

Industry Outlook/Growth Strategy

The company's strategy is to build on its success in markets for process measurement and control of sheet products by "feeding the tiger" — its worldwide distribution network and service organization. To further that growth, Measurex constantly looks to develop and acquire products that will benefit from this distribution and support. Along with growth in revenues for Measurex comes the potential for growth in economic results for the customer.

# Employees	Americas	Europe	Asia	Total
Sales	119	72	37	228
Service	674	339	139	1152
Total	793	411	176	1380

● Measurex offices

Over one half of the Company's employees are in the field, working directly with our customers. Our sales and service organization is our greatest asset — and it's not even on the balance sheet.

Service Business

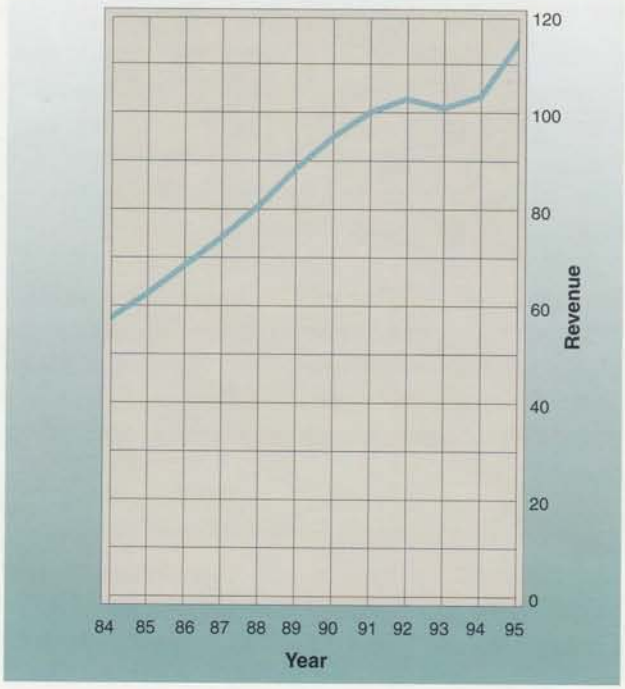
Service Focused on Value

Measurex has always focused on the quality of its service to insure that it provides customer results.

While customers look to Measurex systems to improve product quality and optimize productivity, Measurex's service business continues to grow to meet their needs. Service is a key element in the company's total results package. Along with the traditional 24-hour-a-day, on-site maintenance program, the company provides:

- Process evaluations
- Control tuning
- Process optimization
- Consulting services
- Variability analysis
- Customer training
- Economic analysis
- Software services

These services are available millwide for both Measurex and non-Measurex systems.



Service revenue and margin growth are important parts of Measurex's long-term strategy. Service revenue continues to grow even during downturns in the paper price cycle.

Partners in Performance

A "Partners in Performance Program" was established in North America to strengthen relationships between the company and its customers, with the goal of ensuring that customers receive maximum performance and economic return from their systems. In this program, a member of the Measurex service team meets on a regular basis with the customer to help optimize the Measurex equipment and the process.

Measurex also follows the "Best Practices" approach, for cross-training and sharing of information within our organization, to develop continuous improvements in our service business.

Industry Outlook/Growth Strategy

Many customers favor establishing a single-source service supplier, and building a customer/suppliers team-based relationship. Single-source supplier relationships have proven to be an effective way to ensure that the quality of service delivered and the processes that apply are continuously improved on both Measurex and third-party systems.

Measurex's opportunity to increase its service business can be realized by expanding its service offerings and focusing on customers needs. Measurex conducts annual customer satisfaction surveys to continuously monitor performance and improve its service business. The survey results have continued to improve over the years. The company addresses the concerns that are reported and uses the input to improve the services offered to its customers.

With over half of the company's personnel in the field, in or near customer sites, Measurex gets a close-up perspective on mill and plant needs. Measurex personnel see trends and challenges evolving in the industries the company serves, and develop products that will provide solutions for the future. It's part of Measurex's results commitment: to invest in technologies that will help its customers make a better product, more efficiently.

Product Overview

The MXOpen System

First introduced in 1992, the MXOpen system was the first control system to use open communications and computing standards. This "open system" approach allows easy connectivity between Measurex systems and other standards-based measurement and control products. By applying the latest developments in workstation technology, the MXOpen system is able to provide simultaneous access to real-time control and information through consoles anywhere on the plant- or mill-wide network. With this integrated network, Measurex can now provide customers with a system that spans the entire process — from raw materials, through machine scheduling and production, visual inspection and shipping.

Measurement And Control

Measurex provides a full range of options for measurement and control in a wide variety of sheet industry applications.

- For paper and related processes, MXOpen's Integrated Control System (ICS) helps the customer control their entire process and adapts to the customer's changing product runs.

- For plastics, nonwovens and aluminum industries, the MXOpen Measurement and Control System (MCS) provides top-quality measurement and control. The ConceptOne system provides affordable, PC-based measurement and control for the plastics, nonwovens and other industries.

Application Solutions

Measurex also offers packaged solutions engineered for specific grades and processes. These value-added packages draw from Measurex's wide range of developed and acquired products to provide specific solutions no other single supplier can offer.

Cross-Direction Controls And Actuators

With an installed base of more than 3,500 cross-direction (CD) control systems, Measurex has the most complete range of profile controls and actuators.

Measurex also supplies actuator and control solutions to meet the competitive requirements of any paper machine, regardless of vintage, measurement system or grade.

Cross-direction control systems handle weight profiling at the headbox, through coordinated moisture control in the dryers, to advanced coating and finishing technologies on- and off-machine.

- CDOpen™ — CDOpen actuator control brings the benefits of Measurex advanced CD control to mills and plants with non-Measurex or pre-MXOpen control systems.

Web Inspection System

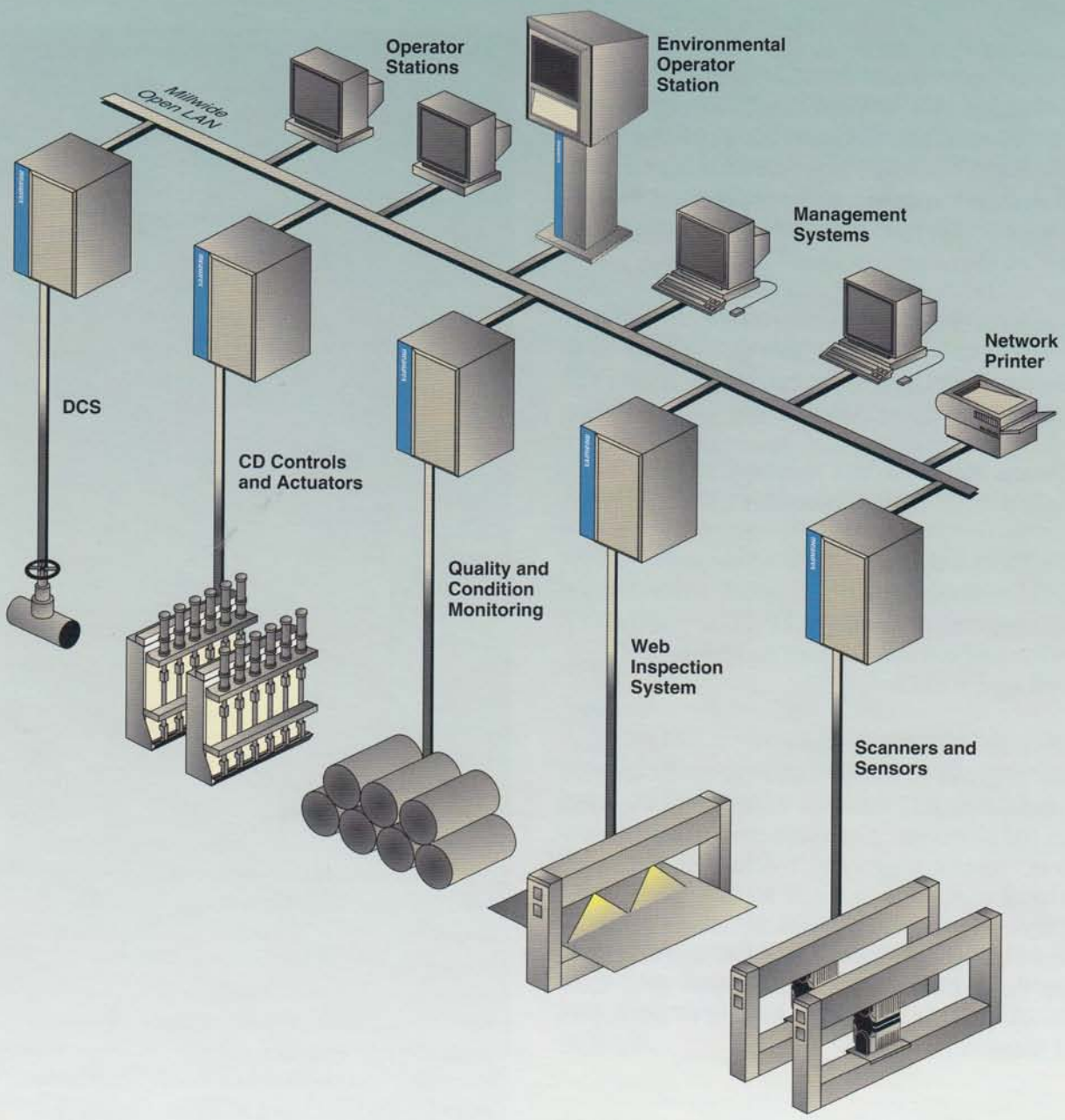
The MXOpen Web Inspection System products use Charge Coupled Device (CCD) camera technologies to continuously detect — on line — visual defects in paper or other web-produced material. They provide real-time, diagnostic and historical data of a product's visual defects, identify any off-spec material and increase saleable output.

The MXOpen Web Inspection System with its integrated trending and analysis displays allows operators at consoles anywhere on the open network to observe defects and determine their exact location and potential sources, such as defects in felts, wires or rolls.

The ConceptOne System

The ConceptOne system provides thickness and basis weight in a personal-computer-based system. ConceptOne can be used for film or sheet extrusion, coating, laminating, calendering, nonwovens, roofing, fiberglass or textiles.

MXOpen Integrated Control System



Product Overview continued....

Management Systems

QualityView™ Analysis and Decision Support Applications link to paper machine supervisory control systems and web inspection systems. These links provide scan-by-scan and reel turnup data as well as defect mapping of the paper sheet. Having this information readily available allows the mill to better address customer claims and issues.

Distributed Control System (DCS)

The MXOpen system's architecture is designed to make an entire DCS project run smoothly and efficiently, with integration that ensures easy operation.

- Ensures that plant/mill distributed control processes run at maximum efficiency;
- Continuous uptime is achieved through a combination of control processor redundancy, self-diagnostics, intelligent UNITEC™ I/Os, redundant communications and integrated UniLogic™ PLCs.

Research and Development

The strength of Measurex's R&D lies in the creativity, dedication and technical expertise of the more than 100 physicists, mathematicians, computer scientists, control engineers, mechanical engineers, electrical engineers, and staff support people who are devoted to developing products that make a difference in our customers' products and efficiency. Since the founding of the company in 1968, more than 350 patents have been granted to employees and Measurex.

Unique Sensors Give Measurex A Competitive Advantage

Measurex has over 70 on-line sensor applications which measure all key process variables such as basis weight, moisture, smoothness, opacity, strength and color.

Basis Weight Sensor — Measures the mass per unit area of a moving web. Provides superior repeatability, accuracy and speed.

Caliper Sensor — Operates on the principle of magnetic reluctance to provide a stable, accurate measurement of paper thickness. Patented electronic technology accounts for the sensor's unparalleled accuracy and sensitivity.

Digital Gloss Sensor — A single-sided sensor which accurately measures the gloss of a number of papers, measuring the angle of reflection from two distinct light sources.

Dual X-Ray Ash Sensor — Using preferential x-ray absorption technology, this sensor provides on-line scanning measurement of total ash and clay/talc content.

Extensional Stiffness Sensor — Provides continuous, scanning measurement of the machine-direction (MD) and cross-direction (CD) extensional stiffness of a moving paper web.

Laser-Based Surface Properties Sensor — Using advanced laser technology, this sensor can measure variations in paper surface topology to 1/10 of a micron, at a rate of one million times per second.

Opacity Sensor — Provides continuous on-line measurement of the opacity of a moving web. The use of transmitted light rather than reflected light allows for superior results.

Single-Side Infrared Moisture Sensor — This sensor is a non-contacting instrument that provides accurate and reliable measurements over nearly all paper grades.

SpectraForm™ Formation Sensor — This sensor utilizes transmitted light to measure small-scale mass variations in a moving sheet. The signal is calibrated in basis weight to provide meaningful information to operators.

Z-Gap Compensation Sensor — Using advanced beta ray technology, measures the distance between the upper and lower head. Any deviation from the gap measured is used to correct basis weight readings at each minislice.

Glossary of Terms

Cross Direction (CD) Controls
Software and hardware that make corrections to product characteristics to ensure quality and consistency across the width of a sheet.

Coating Measurement and Control
Paper, plastics and metals are often coated with substances for visual appeal, adhesion or protection. Coating measurement and control precisely measures and makes corrections to the consistency and weight of the coating.

Distributed Control System (DCS)
A process control system in which the control of different functions in the mill or plant is decentralized for greater reliability.

Enterprise-wide Management Systems
Linking individual plants' or mills' operations with corporate headquarters on a computer network, for such tasks as invoicing, order entry, customer service and production scheduling, in order to make best use of the enterprise's resources.

Integrated Control System (ICS)
The consolidation of distributed control and supervisory systems in order to coordinate and optimize mill or plant operations.

Machine Direction (MD)
Measurement and control of sheet characteristics and quality down the length of the sheet.

Open System
A computer system based on international standards used by a majority of hardware and software suppliers. An open system allows for modification and expansion, as well as compatibility with other suppliers' systems.

Process Optimization
Fine-tuning a process so that it produces maximum output of the highest quality product, at maximum efficiency.

Scanner
A frame extending across the sheet that supports a unit holding sensors that measure sheet characteristics. The sensor unit traverses the sheet from edge to edge along the scanner frame, making measurements.

Sensors
A device that measures sheet characteristics (such as weight, thickness, moisture content or color) and transmits them to a computer for processing.

Supervisory System (or Quality Control System)
High-level controls that are layered on top of a mill or plant's distributed control system, to "supervise" the process and keep product characteristics on target.

Web Inspection System
A system made up of cameras that view the sheet for product defects.

Eleven-year Summary of S

Eleven Years Ended December 3, 1995
(Dollar amounts in thousands except per share data)

	1995	1994	1993	1992
Total Revenues	$335.2	$260.0	$254.0	$252.6
Earnings from Operations (before exit and restructuring costs)	$36.7	$11.2	$7.5	$1.2
Net Income	$26.9	$6.1	$8.2	$1.6
Net Income per Share	$1.60	$0.34	$0.46	$0.09
System Orders	$270.0	$160.0	$151.0	$156.0
System Backlog	$143.0	$92.0	$91.0	$95.0
Systems Revenue	$220.3	$156.3	$152.8	$148.4
Systems Gross Margin	40.7%	36.0%	34.7%	33.1%
Service & Other Revenue	$114.9	$103.7	$101.2	$104.2
Service & Other Gross Margin	37.5%	37.0%	36.2%	34.9%
Gross Margin	39.6%	36.4%	35.3%	33.9%
Operating Margin (before exit and restructuring costs)	10.9%	4.3%	3.0%	0.5%
Net Income Margin	8.0%	2.3%	3.2%	0.6%
Effective Tax Rate	34.0%	39.0%	35.2%	57.4%
Cash Flow from Operations Activities	$50.0	$11.1	$2.3	$11.5
Capital Expenditures	$9.4	$6.7	$8.3	$7.8
Capital Expend./Cash Flow	18.8%	60.8%	365.5%	67.4%
Depreciation (PP&E)	$9.2	$9.3	$10.0	$9.9
Cash and Short-Term Investments	$64.1	$109.3	$111.4	$114.6
Total Assets	$286.7	$319.8	$318.3	$322.9
Total Debt	$19.8	$20.6	$21.3	$0.9
Shareholders' Equity	$166.0	$217.2	$211.9	$218.5
Current Ratio	1.9:1	2.5:1	2.8:1	2.6:1
Total Debt/Total Capitalization	10.7%	8.7%	9.1%	0.4%
Return on Beginning Assets	8.4%	1.9%	2.5%	0.5%
Return on Beginning Equity	12.4%	2.9%	3.8%	0.7%
Stock Price - High	$35.75	$22.50	$20.75	$24.75
Stock Price - Low	$20.38	$17.38	$16.13	$15.38
Stock Price - Ending	$29.25	$20.75	$20.75	$18.00
Price/Earnings Ratio	17.1	61.6	45.1	199.7
Book Value per Share - Ending	$10.57	$11.98	$11.87	$12.12
Common and Common Equivalent Shares - Ending (thousands)	15,713	18,130	17,844	18,028
Dividends Paid per Share	$0.440	$0.440	$0.440	$0.440
Annual Dividend Yield	1.5	2.1	2.1	2.4

QUARTERLY INFORMATION

	First	Second	Third	Fourth
Total Revenues				
1995	$73.4	$77.0	$91.6	$93.2
1994	$61.6	$62.6	$65.7	$70.1
1993	$61.8	$66.1	$64.3	$61.7
1992	$62.1	$62.9	$61.8	$65.8
1991	$63.2	$65.6	$63.9	$61.3
1990	$67.8	$63.4	$65.9	$69.2

	First	Second	Third	Fourth
Income per Share before Extraordinary Item				
1995	$0.20	$0.30	$0.51	$0.59
1994	$0.15	$0.10	$0.14	($0.05)
1993	$0.10	$0.12	$0.13	$0.11
1992	$0.20	$0.11	$0.09	($0.36)
1991	$0.26	$0.12	$0.11	($0.47)
1990	$0.40	$0.22	$0.31	$0.33

DEFINITIONS OF SELECTED FINANCIAL TERMS

Gross Margin = Total revenues less cost of system sales, service and other, as a % of total revenues.
Operating Margin = Total revenues less cost of system sales/service/other, less product development/selling/administration expenses as a % of total revenue.
Income Margin before Extraordinary Item = Income (loss) before extraordinary item, as a % of total revenues.
Return on Assets = Income (loss) before extraordinary item, as a % of beginning total assets.

f Selected Financial Data

1991	1990	1989	1988	1987	1986	1985
$254.0	$266.2	$285.3	$265.2	$227.4	$192.7	$176.6
$3.2	$19.5	$37.9	$39.9	$29.0	$24.5	$23.2
$0.4	$22.5	$40.7	$37.1	$26.8	$21.1	$17.7
$0.02	$1.26	$2.17	$1.95	$1.39	$1.12	$0.97
$127.0	$168.0	$189.0	$203.0	$187.0	$135.0	$112.0
$91.0	$109.0	$109.0	$120.0	$102.0	$69.0	$60.0
$148.2	$170.6	$195.5	$184.2	$153.3	$125.3	$114.6
36.8%	42.0%	48.7%	51.1%	49.1%	52.4%	51.1%
$105.7	$95.6	$89.8	$81.0	$74.1	$67.4	$62.0
31.5%	34.9%	37.0%	33.7%	31.3%	30.8%	31.2%
34.6%	39.5%	45.0%	45.8%	43.3%	44.9%	44.1%
1.3%	7.3%	13.3%	15.0%	12.8%	12.7%	13.1%
0.2%	8.5%	14.3%	14.0%	11.8%	10.9%	10.0%
25.0%	25.9%	20.1%	24.0%	28.6%	31.7%	41.0%
$23.6	$29.5	$52.2	$56.0	$37.9	$33.0	$27.6
$8.2	$15.5	$25.0	$10.3	$6.9	$7.3	$7.8
34.8%	52.5%	47.9%	18.3%	18.3%	22.2%	28.3%
$10.1	$8.8	$7.4	$6.7	$5.7	$4.6	$3.7
$127.1	$143.1	$150.9	$148.3	$107.2	$88.4	$71.2
$339.5	$337.5	$333.0	$303.9	$261.0	$229.1	$198.9
$5.0	$5.2	$5.3	$6.7	$8.6	$10.8	$12.6
$231.7	$238.6	$230.1	$204.5	$170.2	$151.9	$128.7
2.9:1	3.7:1	3.5:1	3.4:1	3.2:1	3.5:1	3.4:1
2.1%	2.1%	2.2%	3.2%	4.8%	6.6%	8.9%
0.1%	6.8%	13.4%	14.2%	11.7%	10.6%	9.9%
0.2%	9.8%	19.9%	21.8%	17.7%	16.4%	16.0%
$24.38	$26.00	$32.00	$35.88	$34.50	$20.25	$13.13
$15.50	$15.13	$24.00	$23.50	$17.50	$12.63	$7.75
$15.75	$17.00	$24.88	$26.00	$26.00	$17.69	$13.13
731.9	13.5	11.2	13.0	17.9	15.5	13.3
$12.82	$13.33	$12.51	$11.02	$9.24	$8.20	$7.15
18,077	17,897	18,394	18,561	18,416	18,516	18,003
$0.440	$0.430	$0.370	$0.270	$0.225	$0.165	$0.120
2.8	2.5	1.5	1.0	0.9	0.9	0.9

Dividends per Share	First	Second	Third	Fourth
1995	$0.11	$0.11	$0.11	$0.11
1994	$0.11	$0.11	$0.11	$0.11
1993	$0.11	$0.11	$0.11	$0.11
1992	$0.11	$0.11	$0.11	$0.11
1991	$0.11	$0.11	$0.11	$0.11
1990	$0.10	$0.11	$0.11	$0.11

Income Margin before Extraordinary Item (%)	First	Second	Third	Fourth
1995	4.7	6.8	9.3	10.5
1994	4.4	2.8	3.9	(1.3)
1993	2.8	3.3	3.6	3.2
1992	5.8	3.3	2.6	(10.0)
1991	7.4	3.3	3.2	(13.9)
1990	10.7	6.3	8.3	8.4

Return on Equity = Income (loss) before extraordinary item, as a % of beginning shareholders' equity.
Total Debt/Total Capitalization = Total interest-bearing debt as a % of total interest-bearing debt plus ending shareholders' equity.
Cash Flow from Operations = Net income (loss) plus non-cash charges to income plus extraordinary item.
Price/Earnings Ratio = Ending total market value divided by total net income of the latest four quarters.
Notes: Data adjusted to reflect a 2-for-1 stock split in January 1984 and a 2-for-1 stock split in February 1987.

Significant Events in Company

1968 — The "concept" of computer-based measurement and control becomes a reality when Measurex Corporation opens for business on January 18.

1969 — The Series 1000™ System is installed at Simpson Paper company; the first time a digital computer is placed in the mill floor for use by the operators.

1970 — Measurex expands internationally, selling its first two systems in Europe.

1972 — The company goes public, offering its common stock "over the counter."

1973 — Manufacturing is established in Europe with the opening of a plant in Waterford, Republic of Ireland. That same year, Measurex commences operations in Japan and ships its first system to customers in the aluminum and rubber industries.

1974 — The System 2000™ is introduced, providing added Central Processing Unit (CPU) power and the first interactive color video operator station.

1975 — The 2000/25 system marks the entry into the plastics industry marketplace.

1977 — The Measurex 2001™ System debuts, featuring the first distributed intelligence for process control.

1981 — Measurex introduces the 2002™ System for expanded capabilities in paper, pulp, metals and plastics.

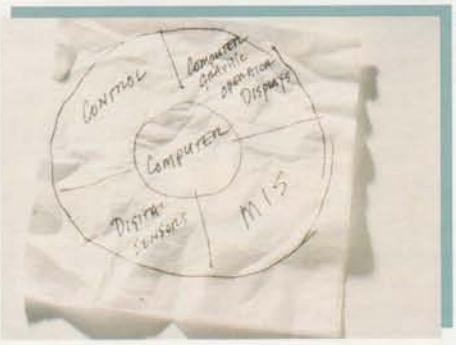
1983 — With the introduction of the VISION 2002™ Network, Measurex takes a major step forward in the evolution of process technology, providing a single network for Distributed Control System (DCS) and supervisory control.

1984 — The Management Systems Division is created as a result of the acquisition of the Management Decisions Development company.

1986 — The VISION 2002 ET™ "Enhanced Technology" product series is announced. Measurex Ireland achieves ISO 9002 certification.

1987 — Measurex forms a strategic alliance with Beloit Corporation, a subsidiary of Harnischfeger Industries.

1988 — The company introduces a 32-bit process control computer, its SuperVISION™ System.



A new concept for process control was sketched on a napkin by Dave Bossen in 1967. In 1968, Measurex opened for business.

Measurex Ireland in Waterford is the first Measurex manufacturing facility to achieve ISO 9002 certification.

y History from 1968 through 1996

1989 — Measurex acquires the SafeControl Division of Safematic Oy and begins marketing an Integrated Monitoring System.

1990 — The FasTrak™ Extrusion Measurement and Control System is announced, expanding the plastics market coverage for cast film and sheet manufacturers.

1991 — Devron-Hercules, Inc. is acquired to expand the cross-direction business. Measurex introduces its IsoTherm™ scanner and the OptiVISION Full Spectrum Production and Quality Management System.

1992 — Measurex introduces MXOpen™ for the paper and plastics industries, the first fully integrated information and control system that uses international industry-standard communications and computing technologies. Measurex's manufacturing facility in Cupertino, Calif., is granted "registered firm" status under ISO 9002.

1993 — Measurex acquires Roibox Oy, of Kuopio, Finland, a leading supplier of camera-based web inspection technology to detect visual defects during the production process. The company signs an OEM agreement with SIEMENS AG, Erlangen, Germany.

1994 — Measurex enhances MXOpen with Networked Solutions, a fully integrated family of MXOpen products based on an open, local area network (LAN) architecture. Measurex acquires the Webart Division of Cincinnati, Ohio-based The Ohmart Corporation, and its lower priced, PC-based, measurement and control systems. Measurex restructures its Industrial Systems Group as an independent division.

1995 — Measurex introduces the Measurex Devron CDOpen™2000 profile control system, a stand-alone system that adds MXOpen CD control capability to pre-MXOpen measurement and control systems. Measurex Devron achieves ISO 9001-9004 standards.

1996 — With the acquisition of Data Measurement Corporation (DMC) and the Measurement Systems Business of Loral Control Systems, Measurex gains entry into the steel industry.

When other companies were introducing proprietary systems, Measurex introduced MXOpen, the first control system to use open communications and computing standards.

Acquisitions

1984 Management Systems Division — information systems

1989 SafeControl Oy — machine monitoring system

1991 Devron-Hercules — cross-direction controls

1993 Roibox Oy — web inspection systems

1995 Webart Division — low-cost plastics measurement

1996 Data Measurement Corporation — steel measurement

1996 Loral Control Systems — steel measurement

Directors and Officers

Directors of Measurex Corporation

Paul Bancroft, III*
Director since 1968;
Retired President and Chief Executive Officer,
Bessemer Securities Corporation
(Private investment company)

Dwight C. Baum**
Director since 1968;
Senior Vice President,
Paine Webber Incorporated
(Investment banking firm)

David A. Bossen
Chairman of the Board
and Chief Executive Officer,
Measurex Corporation; Founded
the Company; a member of the
Board of Directors since 1968

John C. Gingerich
President and Chief Operating
Officer of Measurex Corporation;
Joined the Company in 1970; a member
of the Board of Directors since 1993

Jeffrey T. Grade **
Director since 1993;
Chairman and Chief Executive Officer,
Harnischfeger Industries, Inc.
(A multi-industry company)

Dr. Orion L. Hoch*
Director since 1979;
Chairman Emeritus, Litton Industries, Inc.
(A multi-industry company)

John W. Larson*
Director since 1970;
Chairman, Brobeck, Phleger and Harrison, LLP.
(Law firm)

John W. McKittrick
Director since 1968;
President, Tel-Research Corporation
(A consulting business)

Graham Tyson**
Director since 1979;
Retired Chairman and Chief Executive Officer,
Dataproducts Corporation
(Manufacturer of computer printers)

William W. Goessel***
Retired Chairman and
Chief Executive Officer,
Harnischfeger Industries, Inc.
(A multi-industry company)

Principal Officers of Measurex Corporation

David A. Bossen
Chairman of the Board and
Chief Executive Officer

John C. Gingerich
President and Chief Operating Officer
since 1993; Joined Measurex in 1970

Robert McAdams, Jr.
Executive Vice President,
Finance and Information Services and
Chief Financial Officer, since 1995;
Joined Measurex in 1983

William J. Weyand
Executive Vice President,
Worldwide Sales and Service since 1995;
Joined Measurex in 1977

Glenn R. Wienkoop
Executive Vice President and President,
Industrial Systems Division since 1994;
Joined Measurex in 1975

Robert W. Hirt
Vice President, Taxes since 1994;
Joined Measurex in 1985

Neil J. Laird
Vice President and Controller since 1994;
Joined Measurex in 1980

Lance M. Lissner
Vice President, Corporate Planning
and Development since 1992;
Joined Measurex in 1973

Phillip E. Peterson
Vice President, Human Resources
since 1978; Joined Measurex in 1978

John G. Preston
Vice President and General Manager
Integrated Control Systems Division
since 1994; Joined Measurex in 1978

Charles Van Orden
Vice President, General Counsel and Secretary
since 1995; Joined Measurex in 1988

Mark J. Nordstrom
Assistant Treasurer since 1995;
Joined Measurex in 1991

John W. Larson
Assistant Secretary;
Chairman, Brobeck, Phleger and Harrison, LLP.
(Law firm)

Officers of Subsidiaries and Divisions

Anders B. Axelsson
Vice President and Managing Director,
Sales and Service, Europe and Africa,
since 1994; Joined Measurex in 1992

Gregory J. Ayres
Vice President, Sales and Service,
Americas since 1995;
Joined Measurex in 1982

Denis M. Brotzel
Vice President, Sales,
Industrial Systems Division
since 1994; Joined Measurex in 1978

Robert H. Bucher
Vice President and General Manager
Measurex Devron, Inc. since 1993;
Joined Measurex in 1982

Robert L. Cyr
Vice President, Service Business
since 1996; Joined Measurex in 1983

Barry C. Dale
Vice President, Sales and Service,
Americas since 1995;
Joined Measurex in 1979

Dr. Markku E. Jääskeläinen
Vice President and General Manager,
Measurex Roibox Oy since 1994;
Joined Measurex in 1987

Masaaki Ohno
President, Measurex Japan Ltd.
since 1989; Joined Measurex in 1974

Frederick S. Rolandi
Vice President and General Manager,
Measurex DMC since 1996;
Joined Measurex in 1996

Keith A. Wheeler
Vice President and General Manager,
Management Systems Division
since 1993; Joined Measurex in 1993

Norman D. Winton
Vice President, Sales and Service,
Asia-Pacific since 1994;
Joined Measurex in 1972

* *Member of Compensation Committee*
** *Member of Audit Committee*
*** *Nonvoting Advisory Director*

Additional Information

We hope the data in our corporate Fact Book will help you to better understand our Company and the various markets in which we operate. We sincerely welcome suggestions for ways in which you feel we can make it more useful.

Analysts, investors and others seeking additional information about Measurex's Corporate Profile and Investor Fact Book are asked to contact:

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Phone: (408) 255-1500
E-mail: nordstrom_mark@measurex.com

News media representatives and others seeking general information should contact:

Katie Kirkpatrick
Corporate Communications Administrator
Phone: (408) 864-7181
E-mail: kirkpatrick_katie@measurex.com

Information is also available on our **worldwide web** site:
http://www.measurex.com/

The information furnished by Measurex in this Fact Book is believed to be accurate. ™ and ® are owned by their respective companies.

With the exception of the actual reported financial results, the statements made in this Fact Book are forward-looking, reflect the company's current expectations and involve certain risks and uncertainties. There can be no assurance that the company's actual future performance will meet the company's expectations. Specific risks are discussed in the company's Form 10-K for fiscal 1995, filed with the SEC. (Part I, Item 1, Risk Factors).

measurex
THE RESULTS COMPANY

Measurex Manufacturing Facilities

Canada
Vancouver, British Columbia

Finland
Kuopio

Ireland
Waterford

United States
Cupertino, California
Gaithersburg, Maryland
Cincinnati, Ohio

Measurex Sales and Service Offices

Argentina
Buenos Aires

Australia
Melbourne

Austria
Vienna

Brazil
Campinas

Canada
Montreal, Quebec
Mississauga, Ontario
Vancouver, British Columbia

Chile
Concepción

Colombia
Cali

Finland
Helsinki
Kuopio

France
Paris

Germany
Frankfurt

India
Bangalore

Indonesia
Jakarta

Ireland
Waterford

Italy
Milan

Japan
Tokyo
Sapporo
Takamatsu

Korea
Seoul

Mexico
Mexico City

Netherlands
Tiel

New Zealand
Rotorua

Norway
Skien

People's Republic of China
Beijing

Portugal
Setubal

Russia
St. Petersburg

Singapore

South Africa
Durban

Spain
San Sebastian

Sweden
Borlange

Switzerland
Baar

Taiwan
Taipei

Thailand
Bangkok

Turkey
Istanbul

United Kingdom
Datchet
Northfleet
Risley

United States
Atlanta, Georgia
Cincinnati, Ohio
Cupertino, California
Dublin, Ohio
Gaithersburg, Maryland
Greenbay, Wisconsin
Miami, Florida
Mobile, Alabama
Vancouver, Washington
Westbrook, Maine

Venezuela
Valencia

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