

The business and geographic net sales and product orders breakdown is as follows:

(In thousands)	Quarter Ended	
	Aug. 28, 1999	Aug. 29, 1998
Product Orders:	\$ 429,400	\$ 393,500
Measurement Business	243,700	189,300
Color Printing and Imaging	146,700	156,400
Video and Networking	39,000	47,800
U.S.	230,400	219,700
International	199,000	173,800
Net Sales:	\$ 436,151	\$ 418,979
Measurement Business	228,034	211,158
Color Printing and Imaging	155,404	155,378
Video and Networking	52,713	52,443
U.S.	230,994	222,797
International	205,157	196,182
Operating Income (Loss):	\$ (8,075)	\$ (7,360)
Measurement Business	22,658	11,391
Color Printing and Imaging	3,985	6,744
Video and Networking	(8,303)	(17,576)
Business ventures' loss and other	(26,415)	(7,919)

Consolidated Statements of Operations

(In thousands, except per share amounts)	Quarter Ended	
	Aug. 28, 1999	Aug. 29, 1998
Net sales	\$ 436,151	\$ 418,979
Cost of sales	<u>265,195</u>	<u>247,511</u>
Gross profit	170,956	171,468
Research and development expenses	49,433	51,172
Selling, general and administrative expenses	103,180	119,658
Equity in business ventures' loss	318	7,998
Charges related to the sale of the Video and Networking division	<u>26,100</u>	<u>---</u>
Operating loss	(8,075)	(7,360)
Other income (loss) - net	<u>(4,218)</u>	<u>502</u>
Loss before taxes	(12,293)	(6,858)
Income taxes	<u>(3,811)</u>	<u>(2,195)</u>
Net loss	\$ <u><u>(8,482)</u></u>	\$ <u><u>(4,663)</u></u>
Basic loss per share	\$ (0.18)	\$ (0.09)
Diluted loss per share	(0.18)	(0.09)
Dividends per share	0.12	0.12

Average shares outstanding - basic		46,991		49,475
Average shares outstanding - diluted		46,991		49,475
Capital expenditures	\$	12,846	\$	24,188
Depreciation expense		17,971		16,245
Dividends		5,631		5,984

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Consolidated Balance Sheets

(In thousands)	<u>Aug. 28, 1999</u>	<u>May 29, 1999</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 43,063	\$ 39,747
Accounts receivable - net	300,916	313,274
Inventories	292,403	273,370
Other current assets	<u>96,142</u>	<u>93,267</u>
Total current assets	732,524	719,658
Property, plant and equipment - net	433,620	442,257
Deferred tax assets	55,795	56,405
Other long-term assets	<u>143,282</u>	<u>141,045</u>
Total assets	<u>\$ 1,365,221</u>	<u>\$ 1,359,365</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term debt	\$ 127,803	\$ 115,687
Accounts payable	269,454	251,349
Accrued compensation	94,183	110,001
Deferred revenue	<u>25,660</u>	<u>20,009</u>
Total current liabilities	517,100	497,046
Long-term debt	150,653	150,722
Other long-term liabilities	83,026	90,035
Shareholders' equity:		
Common stock	150,512	143,263
Retained earnings	444,500	458,613
Accumulated other comprehensive income	<u>19,430</u>	<u>19,686</u>
Total shareholders' equity	<u>614,442</u>	<u>621,562</u>
Total liabilities and shareholders' equity	<u>\$ 1,365,221</u>	<u>\$ 1,359,365</u>
Shares outstanding	47,179	46,909
Employees	7,495	7,571