

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

(In thousands)	Quarter Ended		Fiscal Year Ended	
	May 29, <u>1999</u>	May 30, <u>1998</u>	May 29, <u>1999</u>	May 30, <u>1998</u>
Net Sales:	\$ 541,314	\$ 557,912	\$ 1,863,065	\$ 2,085,802
(Net sales for the quarter and fiscal year ended May 29, 1999, were increased \$2,919 and decreased \$3,545, respectively, related to the business reorganization)				
Measurement Business	230,575	247,265	844,882	962,858
Color Printing and Imaging	213,123	203,706	725,354	728,697
Video and Networking	97,616	106,941	292,829	394,247
U.S.	280,136	295,776	947,611	1,077,649
International	261,178	262,136	915,454	1,008,153
Product Orders:	\$ 474,400	\$ 501,400	\$ 1,760,200	\$ 1,912,000
Measurement Business	219,000	224,800	786,600	860,900
Color Printing and Imaging	177,800	193,200	708,700	687,300
Video and Networking	77,600	83,400	264,900	363,800
U.S.	256,200	278,200	904,000	994,000
International	218,200	223,200	856,200	918,000

Consolidated Statements of Operations

(In thousands, except per share amounts)	Quarter Ended		Fiscal Year Ended	
	May 29, <u>1999</u>	May 30, <u>1998</u>	May 29, <u>1999</u>	May 30, <u>1998</u>
Net sales	\$ 541,314	\$ 557,912	\$ 1,863,065	\$ 2,085,802
(Net sales for the quarter and fiscal year ended May 29, 1999, were increased \$2,919 and decreased \$3,545, respectively, related to the business reorganization)				
Cost of sales	331,068	310,707	1,153,245	1,220,475
(Cost of sales for the fiscal years ended May 29, 1999, and May 30, 1998, respectively, include \$27,760 and \$38,482, respectively, related to the business reorganization)				
Gross profit	210,246	247,205	709,820	865,327
Research and development expenses	51,832	53,939	204,655	203,312
(Research and development expenses for the fiscal year ended May 29, 1999, include \$4,019 related to the business reorganization)				
Selling, general and administrative expenses	122,202	134,032	480,714	508,749
(Administrative expenses for the fiscal year ended May 29, 1999, include \$803 of bad debt expense related to the business reorganization)				
Equity in business ventures' earnings (loss)	(336)	2,083	(9,230)	2,513
Non-recurring charges	2,874	---	84,362	40,478
(For the business reorganizations during the fiscal year ended May 29, 1999, and May 30, 1998, respectively, and for acquired in-process R&D for the fiscal year ended May 30, 1998)				
Operating income (loss)	33,002	61,317	(69,141)	115,301
Other income (expense) - net	3,572	2,184	(6,096)	7,513
Earnings (loss) before taxes	36,574	63,501	(75,237)	122,814
Income tax expense (benefit)	11,703	20,956	(24,076)	40,529
Net earnings (loss)	\$ 24,871	\$ 42,545	\$ (51,161)	\$ 82,285
Basic earnings (loss) per share	\$ 0.53	\$ 0.84	\$ (1.07)	\$ 1.63
Diluted earnings (loss) per share	0.53	0.83	(1.07)	1.60
Dividends per share	0.12	0.12	0.48	0.46
Average shares outstanding - basic	46,877	50,452	47,700	50,438
Average shares outstanding - diluted	47,167	51,413	47,700	51,320
Capital expenditures	36,961	59,144	117,540	156,766
Depreciation expense	18,707	17,611	71,434	65,939
Dividends	5,625	6,058	22,905	23,188

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Consolidated Balance Sheets

(In thousands)	<u>May 29, 1999</u>	<u>May 30, 1998</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 39,747	\$ 120,541
Accounts receivable - net	313,274	346,342
Inventories	273,370	226,770
Other current assets	93,267	67,432
Total current assets	<u>719,658</u>	<u>761,085</u>
Property, plant and equipment - net	442,257	425,153
Deferred tax assets	56,405	25,102
Other long-term assets	141,045	177,893
Total assets	<u>\$ 1,359,365</u>	<u>\$ 1,389,233</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Short-term debt	\$ 115,687	\$ 5,442
Accounts payable	251,349	221,834
Accrued compensation	110,001	119,842
Deferred revenue	20,009	15,102
Total current liabilities	<u>497,046</u>	<u>362,220</u>
Long-term debt	150,722	150,681
Other long-term liabilities	90,035	91,391
Shareholders' equity:		
Common stock	143,263	223,527
Retained earnings	458,613	532,679
Accumulated other comprehensive income	19,686	28,735
Total shareholders' equity	<u>621,562</u>	<u>784,941</u>
Total liabilities and shareholders' equity	<u>\$ 1,359,365</u>	<u>\$ 1,389,233</u>
Shares outstanding	46,909	50,345
Employees	7,571	8,630

Impact of Business Reorganization on Consolidated Statements of Operations

(In thousands, except per share amounts)	Quarter Ended		
	May 29, 1999 Without Non-Recurring <u>Charges</u>	Non-Recurring <u>Charges</u>	May 29, 1999 As <u>Reported</u>
Net sales	\$ 538,395	\$ 2,919	\$ 541,314
Cost of sales	<u>331,068</u>	<u>---</u>	<u>331,068</u>
Gross profit	207,327	2,919	210,246
Research and development expenses	51,832	---	51,832
Selling, general and administrative expenses	122,202	---	122,202
Equity in business ventures' earnings (loss)	(336)	---	(336)
Non-recurring charges	<u>---</u>	<u>2,874</u>	<u>2,874</u>
Operating income	32,957	45	33,002
Other income - net	<u>3,572</u>	<u>---</u>	<u>3,572</u>
Earnings before taxes	36,529	45	36,574
Income taxes	<u>11,703</u>	<u>---</u>	<u>11,703</u>
Net earnings	<u>\$ 24,826</u>	<u>\$ 45</u>	<u>\$ 24,871</u>
Basic earnings per share	\$ 0.53	\$ ---	\$ 0.53
Diluted earnings per share	\$ 0.53	\$ ---	\$ 0.53