

News Release



Storage Technology Corporation

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For Immediate Release

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STORAGE TECHNOLOGY CORPORATION DISCONTINUES DEVELOPMENT OF MAINFRAME CMOS COMPUTER

LOUISVILLE, COLORADO - January 26, 1984 - Storage Technology Corporation announced today that it has discontinued all development activities connected with its development of a new mainframe computer. The computer program, undertaken under a development agreement with Storage Technology Partners, a research and development partnership, was started in 1981 with the objective of developing a high performance IBM compatible computer using CMOS technology. As a result of the decision to discontinue this operation, approximately 400 employees of Storage Technology Corporation's California subsidiary engaged in the computer development effort will be terminated.

In commenting on the discontinuance of the computer program, Jesse I. Aweida, Chairman of Storage Technology Corporation, said, "The decision to terminate the development of the mainframe computer was unavoidable. Delays in completing the development program have reduced the likelihood of successfully marketing the mainframe computer. After consideration of the

risks of further delays in the program and the substantial additional funds that still would be required to complete the development of the computer, it was decided to terminate the program".

Mr. Aweida added, "While no definitive plans have been made, Storage Technology expects to retain approximately 100 employees from the discontinued operation to preserve the CMOS technology developed in the program for possible future commercial exploitation".

Mr. Aweida also stated that discontinuance of the computer program is expected to result in a substantial write off in the 4th quarter of 1983, and will add to the losses from ongoing operations expected for that quarter.

Storage Technology is a multi-national company that produces high-performance computer peripheral subsystems. The company's stock is listed on the New York Stock Exchange, ticker symbol "STK".