

*The following is the text of IBM's October 24, 1958 press release announcing the sale of its time equipment (clocks et. al.) business to Simplex Time Recorder Company.*

T. J. Watson, Jr., President of International Business Machines Corporation, and C.G. Watkins, President of Simplex Time Recorder Company, Gardner, Mass., today announced that the domestic IBM Time Equipment Division has been acquired by Simplex, effective December 1, 1958.

Mr. Watson noted that the Time Equipment Division in recent years has accounted for less than three percent of IBM gross revenues. He added that products of the division being transferred to Simplex include time clocks, job recorders, master clock systems, central control systems, fire alarm equipment, and recorder door locks.

Paul S. Wells, General Manager of the IBM Time Equipment Division, is joining the Simplex Company as Vice President in Charge of Sales. The IBM Time Equipment sales force will be asked to join Simplex.

Mr. Watson stated that IBM will install any time equipment systems presently on order or which are ordered from the company prior to December 1, 1958. IBM time equipment is manufactured in the company's plant at Endicott, N.Y. Manufacturing and production engineering employees with the division will remain in Endicott and eventually engage in the production of other IBM products.

IBM will continue to service all time equipment products, Mr. Watson emphasized. The entire IBM time equipment service force will be transferred to the company's Electric Typewriter Division.

Mr. Watson stated: "As the data processing and electric typewriter businesses have expanded in the IBM Company, the products of the Time Equipment Division have become less compatible with the operations of our larger divisions. The Simplex Company, on the other hand, is devoted entirely to the field of time recording and time indicating devices. Therefore, after thorough analysis by IBM management, we concluded that the interests of the IBM Company, its employees, stockholders and customers, could best be served if we devoted all our efforts to our principal product lines."

Mr. Watkins said: "By joining the outstanding IBM time equipment product line and sales team with our own excellent sales, service, and manufacturing groups, we are in position to expand further our reputation for leadership in the time equipment field. This will result in increasingly better service to our customers, and a better future for all of our employees."

The Simplex Company, which is family-held, was founded by Mr. Watkins' father, Mr. E. G. Watkins, in 1888. The company has 92 branch offices in the U. S. Manufacturing headquarters of the company are at Gardner, Mass., where an expanded plant of 50,000 sq. ft. is nearing completion.

Mr. Watkins, who attended Columbia University, joined Simplex in 1928. He became Vice President in Charge of Sales in 1938, and President in 1942.

Mr. Watkins stated: "The addition of IBM time systems to our recording and instrument products will enable us to compete more vigorously with other producers who recently have made arrangements to offer complete time and recording systems. We are now in position to meet the increased competition in our industry."

IBM will continue the manufacture and sale of time equipment products outside the United States through the IBM World Trade Corporation, a wholly-owned subsidiary.

The Data Processing Division of IBM will continue to manufacture the advanced 820 Time Punch. The 820 automatically punches employee attendance time or job cost data into IBM cards at the sources of these operations, enabling the punched card records to be processed directly by machine accounting equipment.

Specific terms of the negotiations were not disclosed.