

AMPEX CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

| | December 31, 2006 | December 31, 2005 |
|---|----------------------|----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 11,719 | \$ 13,070 |
| Accounts receivable (net of allowances of \$125 in 2006 and \$78 in 2005) | 5,235 | 3,091 |
| Inventories | 6,366 | 5,862 |
| Royalties receivable | 270 | 735 |
| Cash collateral on letter of credit | 1,522 | 1,483 |
| Other current assets | 510 | 873 |
| Total current assets | 25,622 | 25,114 |
| Property, plant and equipment | 923 | 1,215 |
| Other assets | 372 | 373 |
| Total assets | \$ 26,917 | \$ 26,702 |
| LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT | | |
| Current liabilities: | | |
| Notes payable | \$ 1,704 | \$ 113 |
| Accounts payable | 3,315 | 3,802 |
| Net liabilities of discontinued operations | 1,249 | 1,413 |
| Accrued restructuring costs | 594 | 610 |
| Pension and other retirement plans | 888 | 864 |
| Other accrued liabilities | 8,625 | 7,935 |
| Total current liabilities | 16,375 | 14,737 |
| Long-term debt | 34,227 | 25,725 |
| Pension and other retirement plans | 78,035 | 95,948 |
| Other liabilities | 842 | 1,929 |
| Accrued restructuring costs | 436 | 1,030 |
| Net liabilities of discontinued operations | 1,405 | 1,679 |
| Total liabilities | 131,320 | 141,048 |
| Commitments and contingencies | | |
| Mandatorily redeemable nonconvertible preferred stock, \$1,000 liquidation value per share: | | |
| Authorized: 69,970 shares in 2006 and in 2005 | | |
| Issued and outstanding - none in 2006 and in 2005 | - | - |
| Mandatorily redeemable preferred stock, \$2,000 liquidation value per share: | | |
| Authorized: 21,859 shares in 2006 and in 2005 | | |
| Issued and outstanding - none in 2006 and in 2005 | - | - |
| Convertible preferred stock, \$2,000 liquidation value per share: | | |
| Authorized: 10,000 shares in 2006 and in 2005 | | |
| Issued and outstanding - none in 2006 and in 2005 | - | - |
| Stockholders' deficit: | | |
| Preferred stock, \$1.00 par value: | | |
| Authorized: 898,171 shares in 2006 and in 2005 | | |
| Issued and outstanding - none in 2006 and in 2005 | - | - |
| Common stock, \$0.01 par value: | | |
| Class A: | | |
| Authorized: 175,000,000 shares in 2006 and in 2005 | | |
| Issued and outstanding - 3,820,473 shares in 2006; 3,789,773 in 2005 | 38 | 38 |
| Class C: | | |
| Authorized: 50,000,000 shares in 2006 and in 2005 | | |
| Issued and outstanding - none in 2006 and in 2005 | - | - |
| Other additional capital | 455,237 | 454,789 |
| Accumulated deficit | (459,751) | (456,953) |
| Accumulated other comprehensive loss | (99,927) | (112,220) |
| Total stockholders' deficit | (104,403) | (114,346) |
| Total liabilities, redeemable preferred stock and stockholders' deficit | \$ 26,917 | \$ 26,702 |