

*Vincenzo Mancuso says farewell on a high note:*

## 1985 - YEAR OF SUCCESS

Sales soar, thanks to an outstanding effort by all

**THIS IS THE last newsletter of the year and it is appropriate to make a few comments on the progress of the last 11 months.**

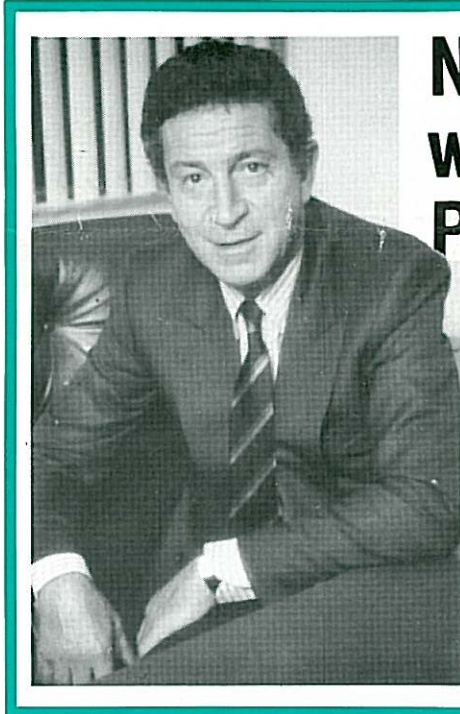
Figures, as always, speak louder than words and to the end of November, our third party net revenue on hardware was 46.6% over 1984. It is nothing short of an outstanding performance rounded off by a healthy backlog of orders. I am particularly happy to note that such a rewarding performance is not due to an isolated success in any one specific sector, but to a well balanced and co-ordinated effort on the part of every division.

Earlier this year I was fortunate enough to attend a performance of Mahler's "Symphony of a 1000" sponsored by British Olivetti at the Albert Hall. Because of the difficulty of putting together and orchestrating hundreds of instruments and a chorus of 1000 singers, this gargantuan work is seldom performed.

Listening to the London Symphony Orchestra and 5 choruses delivering an exquisite performance was indeed an emotional experience that I shall not forget. I mention this because, in business terms, the all round performance of British Olivetti this year reminded me of such excellence and harmony.

There are a few points that I would like to underline and I will start with the ever improving backing given to our customers. There is an increasing acceptance that we are a company capable of giving high quality support both to large and to small companies often in very exacting conditions, such as in the real-time environment in so many banking and building society clients.

The CES Division, already very strong in the speed and quality of its customer support, has now established itself with notable success in the third party maintenance business, looking after the equipment of other manufacturers, in some very prestigious companies such as the Britannia Building Society.



### New Year welcome to Paolo Tosi

**WELCOME to Paolo Tosi, who takes over as Managing Director in the New Year.**

**Mr Tosi is no stranger to the Olivetti group, having been with us since 1961. He has served as Managing Director of subsidiaries in Finland, Japan and South Africa.**

**He leaves our South African operation with an exceptional record on both profit and turnover.**

Another very important aspect of our customer support is the supply and accessory operation where, in the midst of considerable difficulties in the automation of its own distribution system, the Division has now succeeded in effecting delivery to customers on the same day as the order is placed by telephone. The high quality of our accessories coupled with such efficient delivery service has a significant effect not only on the way customers perceive our company, but also on our financial results.

On the personal computer front, we have achieved the undisputed number two position, by a wide majority, in the IBM compatible market, where we are second only to IBM itself. Both the technical press and many sectors of the market openly acknowledge our superiority vis-a-vis

IBM. Not a mean achievement with even greater expectations in 1986.

In the mini computer sector dealing with accounting and management applications, we have set up, in less than a year, a national network of dealers both for Line One and for 3Bs, proving that the initial concern about the possible clash between the two lines was totally unjustified. The simple truth is that today we sell highly specialised solutions in widely different market sectors.

In the electronic typing sector we are maintaining our leadership and our recent launch of videotyping has put our competitors out of the running in a whole sector of the market.

The Major Accounts Division has recognised the enormous potential from the point of sale market and the retail group has already showed some

notable successes with the largest petrol companies and has some exciting negotiations with household name retailers.

The migration of our customers to the MOS Line One System continues satisfactorily with successes such as the National and Provincial Building Society.

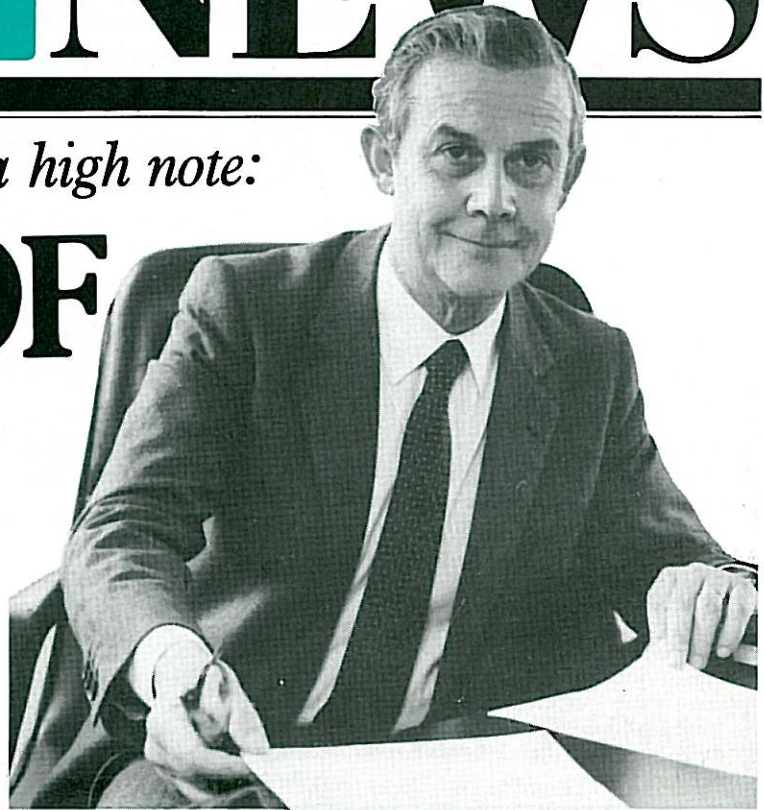
Olivetti is also in the forefront of UNIX development with the largest UNIX factory in Europe set up well before the agreement with AT&T. Clearly this ensures our readiness for a UNIX industry standard, thus covering all our options. The AT&T team from the United States is now well integrated into British Olivetti in anticipation of the convergence of voice and data communications.

British Olivetti Ltd finishes 1985 as a winning company within a winning group. Our industry is sailing through waters as turbulent as those of Fastnet and, in our particular race, few competitors set sail with the clarity of purpose shown by Olivetti.

I would have liked, at this point to close by looking forward to another successful year together with you, but as you may know, I have been asked to head another Olivetti subsidiary - a new company looking after direct sales in Italy. What is sure is that, in our own respective areas, we shall remain fellow travellers in the same family.

Mr Paolo Tosi, whose success as Managing Director of South Africa speaks for itself, will take over in the New Year and will talk about our plans for 1986 in the next issue of the newsletter.

**All that remains for me to say is thank you for your magnificent teamwork and to wish you and your family a happy and prosperous New Year.**



**SPECIAL SIX-PAGE ISSUE**

**M24 SP launch, PAGE TWO**

**Videotyping hits the road, PAGE THREE**