

olivetti NEWS

The Managing Director's message as Olivetti sales reach £50 million:

BANG ON TARGET!

WE CLOSE the first six months of 1986 with a certain amount of justified satisfaction since, on passing £50 million, we are all set to be on target both in terms of sales and total revenue, an achievement which we have not experienced for some years. However, it would be very wrong to ignore a number of imbalances which must be put right in the second half.

In our determined effort to go upmarket, the first half year also witnessed a major shift in emphasis in our direct operations. For the first time we are able to present a co-ordinated long term strategic "offering" covering all key products integrated in local and wide area networks under the control of minicomputers geared very precisely to customer requirements.

As we all know, for many years we have successfully sold our terminals in large quantities, but only recently have we been able to offer our customers such comprehensive solutions to their problems.

Within this context we have made a concerted effort to reorganise ourselves to give our customers greater support on all fronts (CES, software, peripherals, development and so on). As part of this reorganisation, Alan Watson - as you can see in the letter reproduced in full here - takes over a very important role.

Alongside the Commerce & Industry and Financial Divisions already in existence, we have created Technology Groups to deal with specialist areas - Telecommunications under Barbara Evans, Software under Alan Jupp and Image Processing under Nicholas Rowley, whom we welcome to the company.

All these groups will be reporting directly to me.

We are sorry that Kevin Godfrey - as head of our CES operations - has left us but we are grateful to him for his excellent contribution to the company and we wish him well in his new role.

The future of British Olivetti looks very bright, provided we increase our efforts to meet the challenge of an extremely competitive market. I can highlight four reasons for my optimism:

- Firstly, I have been very impressed by the quality of our management and staff and I believe that they have all the qualities needed to - as you would say in the U.K. - "lick the competition".
- Secondly, our product range, coupled with the strategy mentioned above, is by far the best we've ever had. Outstanding among this is the widely accepted micro range. In fact everywhere

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As you are aware, Kevin Godfrey, Manager of our Customer Engineering Division, has resigned to join another company in the Third Party Maintenance area.

We have taken this opportunity to re-evaluate our various Customer Support functions and have decided to merge these important resource centres within a new Customer Support Group. We believe that, in addition to the inherent technical skills already resident within this group, a high level of sensitivity to the needs of our major clients is required.

The continued growth of our Company can only be achieved by providing an even higher level of support to our clients than at present.

We are pleased that Alan Watson has accepted the appointment of General Manager of this Customer Support Group. Alan is highly qualified for this position, having spent 10 years in the U.K. and abroad as Divisional Manager of the Customer Engineering Group, followed by 3 years as head of our Major Accounts Sales Group.

These combined experiences make him an ideal choice for this position.

We believe that the changes that we have made will provide very high level of support and satisfaction for our customers and give our Company further opportunity to increase its sales.

Paolo Tosi

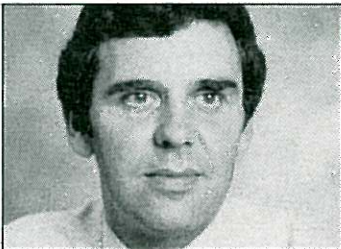
our sales of micros far exceed expectations and, thanks to the unprecedented effort made by Ivrea to overcome the backlog problems, we are all set to challenge the leaders.

- Thirdly, the group's outstanding success, showing an increase in consolidated profits of 34% (at over £200 million) means that all the necessary cash will be available for the kind of R & D that will ensure that we remain at the forefront of technology on all products.
- Fourthly, the parent company's firm commitment to a healthy investment programme in the U.K. both within our present setup and in terms of future projects and ventures.

Thank you for your support in the first half, congratulations on your success, and best wishes for an even better second half.



Moving on, moving in



Alan Watson, who takes over a very important role as General Manager of the Customer Support Group. He will be responsible for ensuring that our many customers are guaranteed to receive an even higher level of service and support in the future.



Welcome aboard to Nicholas Rowley, who joined us on 1 June as Manager, Image Processing. Mr Rowley, previously with Philips Electronics, is responsible for marketing all image processing products, particularly the Filenet system.

Olivetti acquires Triumph-Adler International deal

OLIVETTI has acquired Triumph-Adler, in a complex international deal with German firm Volkswagen.

Volkswagen will invest approximately 400 billion lira in Olivetti's parent company, Ing C Olivetti and C, SPA, and will acquire about 5% of the company. In return, Olivetti will receive Volkswagen's shares in Triumph-Adler AG and shares in part of Triumph-Adler's American operation.

The two companies will enter into negotia-

tions over the Pertec Peripherals Corporation.

Olivetti and Triumph-Adler will continue to operate independently with their own trademarks, product ranges and distribution channels. They will however co-operate in research and development and in exchange of components.

This co-operation will strengthen the companies' respective product lines and international distribution on the expanding office automation marketplace.

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