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LONDON (FNS) -- Spiralux Ltd. Confirmed it has not shipped daisywheel printers to Coleco for use with the Adam home computer system since the middle of this year, and it has effectively been terminated as a Coleco supplier.

Earlier this year, Coleco cut in half the size of its purchase order with Spiralux (EN, Feb. 13) as Coleco fell some 400,000 units short of a projected 1983 Adam sales goal of 500,000.

There had been wide speculation that Spiralux was no longer shipping printers to Coleco. Another of the firm's printer suppliers, Chinon Industries of Japan, also has been sharply curtailed. In response to reports that Coleco has terminated its printer purchasing accord with Chinon (EN, Nov. 12), Coleco executive vice-president Mort Handel recently said Coleco has "modified" its agreement with chinon. Coleco has agreed to pay that firm \$13 million to compensate it for printers ordered but not actually purchased.

Mr. Handel could not be reached for comment on Coleco's terms with Spiralux by press time.

Brian Beharrell, managing director of Spiralux's subsidiary in Skibbereen, Ireland, which made the Adam printers, said shortly after Coleco cut back its Chinon order, "They stopped ordering from us." Spiralux's contract with Coleco has two main parts, according to the managing director. First, as prime designer of the product, Spiralux produces and supplies printers to Coleco. Under the second main provision, Coleco pays a royalty to Spiralux on every printer Coleco manufactures itself or has another company produce.

Mr. Beharrell declined to reveal the amount of the royalty payment.

"Coleco paid some royalties to us, but it was a small amount," he said. "One of the problems from our point of view is that we do not receive the royalty until the system actually has been sold by Coleco. Coleco still is holding stocks of the units we produced, so if it is making any printers itself, the feeling we get is that there also are being stockpiled."

Spiralux supplied about 450,000 printers to Coleco, Mr. Beharrell said. This would fit in with Coleco's original 1983 sales projections for the Adam, which were about 500,000 systems. Coleco sold only 95,000 units last year.

The managing director said he has had little contract with Coleco since the middle of the year and has no idea of the U.S. company's plans for the Adam. Some of the excess capacity that has been created as a result of the lack of orders from Coleco has been filled by Spiralux's production of its Krypton typewriter, which also uses a daisywheel printer.

Spiralux might at some stage decide to negotiate with Coleco to see if it could produce the printer for general sale. Mr. Beharrell said. The power supply and interface of the printer, however, were designed to Coleco's specification and would need to be redesigned, especially since the Adam computer is powered from the printer power unit. Mr. Beharrell could not say whether Coleco would be interested in negotiating such an agreement.

Spiralux' plans have been severely disrupted by the sluggishness in Adam sales. When it revealed the Coleco contract, Spiralux said it was considering constructing a plant in Alabama to handle the increased demand for the printer. In February, Spiralux said it had cancelled plans for the factory and cut production runs in half at the Skibbereen facility.

As had been reported, many analysts expect Coleco to withdraw from the home

computer market early next year, and are estimating write-offs of between \$100 million and \$200 million.

The firm has made a number of recent personnel changes in its Adam operations, which some analysts view as a precursor of a market exit. It recently reassigned executive vice-president of marketing Al Kahn from responsibility for electronic and non-electronic products to non-electronic products only. An executive vice-president who played a key role in the development of the Adam project, Eric Bromley, is scheduled to leave the company at the end of this month