SCAN The DATA CAPTURE Report

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November 8, 1996

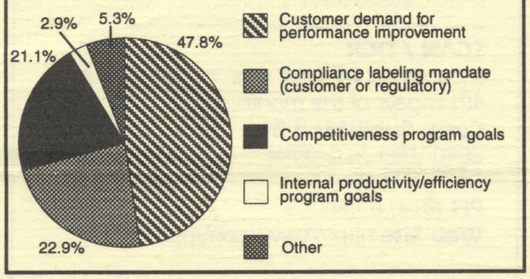
DID YOU KNOW?

CUSTOMER DEMAND DRIVES END-USERS' ADC SYSTEMS

According to **Venture Development Corporation** (Natick, MA), few end-users are implementing bar code systems as a means to meet internal competitiveness, productivity or efficiency program goals.

Rather, end-users are implementing bar code, Auto ID and ADC systems in response to customer demands for a number of performance improvements including shorter lead times, lower stocking levels, and tighter supply chain integration.

Primary Factors Driving End-User Bar Code Systems In North America



In addition to these findings, customer and regulatory agency demand for compliance labeling was also cited as a primary driver for using bar coding.

Venture Development finds that as many as 80% of current end-users have limited knowledge of bar coding's true capabilities and benefits.

For more information: **Venture Development Corporation**, Natick, MA, PH (508) 653-9000, FX (508) 653-9836, E-mail: vdc4u@aol.com. SCAN

Zebra/Eltron Merger Captures Industry Attention

Seldom has an industry event created a stir like the recent announcement of **Eltron International's** and **Zebra Technologies'** intent to merge. Virtually everyone we spoke with [and that numbers in the dozens] believes the merger of the two printer manufacturers will be a tough combination to beat.

First, let's look at the numbers. On a pro-forma basis, the combined company would have generated sales in excess of $230 million in the 12 months ended June 30, 1996. It would have over $90 million in cash and a market value at current prices in excess of $900 million. The Zebra/Eltron combination would also edge its way into the list of the top five ADC companies by sales dollar volume.

Lisa Bogaty, a stock market analyst for **Prudential Securities**, follows the performance of many ADC companies. Bogaty told *SCAN/DCR*, "The merger makes sense for a number of reasons. Eltron has done very well in the low-end printer market and was planning to expand into the upper-end market. Zebra is well known for its upper-end printer products and wanted to expand its lower-end market. The merger is a quick way for the two printer companies to meet their goals."

Continuing, Bogaty stated, "Both companies have strong management teams. The combined talent of both organizations, plus the shared distribution channels, should be a real asset for the new company. And maybe most important, the combined revenues of the two companies will position them well for new product development and marketing programs."

We asked Donald Skinner, Eltron's chairman and CEO, who came forward with the initial idea for the merger? Skinner explained that because the merger is still in the approval process, the issue is too sensitive for comment. However, he did say he was very pleased with the tentative management structure. Skinner will serve as president/CEO of the new company and Zebra's chairman/CEO, Edward Kaplan will serve as chairman. "I feel very confident that

Ed [Kaplan] and I will be able to capitalize on the strengths of both companies and use our combined knowledge to its greatest potential."

In our interviews with Skinner and Zebra's CFO, Charles (Randy) Whitchurch, both men told us that there are no current plans to combine manufacturing facilities. Although they feel it would be prudent to consolidate marketing efforts, there are no existing plans in place to accomplish those efforts. "Whatever we decide to do in our combined marketing program, the most important aspect will be to provide a seamless transition without disrupting our customers," stressed Skinner.

Both men agreed a consolidated distribution channel is a major part of future plans for the new company. But it was also an important aspect in the initial reasoning for the merger. While no name has been selected for the new company, it is certain Zebra's worldwide recognition assures it a place in the new moniker. In addition, Eltron's name is highly-regarded because of the success it achieved in a short time. Undoubtedly, the new company will try to retain some form of Eltron's name as well.

Dollars In Thousands

Categories	Zebra Technologies	Eltron International
Sales - 1995	$148,593	$54,971
Sales - 1996 (First nine months)	$122,596	$65,762
Net Earnings - 1995	$28,592 (1)	$7,120
Net Earnings Per Share - 1995	$1.19	$0.97
Net Earnings - 1996 (First nine months)	$20,956 (2)	$4,757
Net Earnings Per Share - 1996 (nine mths)	$0.87	$0.66
Shares Outstanding	$24,197	$7,207
Share Price October 17, 1996	30 7/8	37 1/2
52-Week Range (High & Low)	35.25 - 15.50	38.25 - 22.50

(1) Excludes $6.028 million write-off of acquired in-process technology 3Q95.
(2) Excludes $1.114 million write-off of acquired in-process technology 1Q96.

In our conversations with Skinner and Whitchurch, it was evident neither company is claiming dominance in the merger. It is a merger involving two companies with a great deal of respect for each other's capabilities. Both men insisted that neither company will dominate the other.

The Eltron and Zebra press releases called the new merger a "pooling of interest." Since Whitchurch is involved in the finance department, we asked him to describe what this means [in layman's terms]. He told us it simply means to add two companies' finances together so they look like one company. A pooling reflects a true merger as opposed to an acquisition; therefore, no goodwill is created in the transaction. "We also expect the transaction to be structured so that the merger will be tax-free for our shareholders as well," Skinner added.

According to the proposed stock agreement, each Zebra common share would be exchanged for 0.84 of an Eltron common share. Zebra has almost 24.2 million shares outstanding, meaning its shareholders stand to receive almost 20.3 million Eltron shares, worth about $681 million at the 10/17/96 closing price of $33.50 per share. [These figures were incorrectly reported in the *New York Times*.]

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- OCR products
- Voice recognition systems
- Vision systems, video scanners
- EDI
- Smart cards & optical cards
- Memory tags
- Biometrics
- Application software
- Peripherals or supplies for the above

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Editor: Rick Morgan
PH (814) 838-0025, Ext. 222
FX (814) 835-1764
rickm@corrypub.com

Copy Editor: Robert E. Lee II

Contributing Editor: George Goldberg
PH (516) 487-6375
FX (516) 487-6393
ScanGG@aol.com

Publisher: Terry Peterson
PH (814) 838-0025, Ext. 204
FX (814) 835-4331

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The merger will enable Eltron to reach 20 more countries by using Zebra's distribution channel. Zebra's Asian presence will be extremely helpful to Eltron who has yet to establish a channel there. The merger will also allow Eltron to increase its market for its new plastic-card, printer division. "We're going to be much stronger together," said Whitchurch. "We'll have the cash we need for research and development and to market our specialty lines such as the smart-card printers. This should increase our revenue base from the retail industry and these specialty printer products."

Eltron comes to the bargaining table with a wide variety of product lines, well-developed products for the low-end market and an aggressive marketing strategy. Eltron also plans to release two new products in its plastic-card division and two new label printers. Another plus for Zebra will be Eltron's four acquisitions since 1994. They are **Russet, Ltd.** (Reading, England), a value-added distributor of bar code equipment, ticket printers and related products; **Donner Media** (Appleton, WI), a manufacturer of thermal labels; **Privilege, S.A.**, (Varades, France), a manufacturer of card printers for on-demand applications; and **RJS** (Monrovia, CA) a manufacturer of industrial bar code printers, verified printing systems and bar code verifiers.

SCAN/DCR asked if there were plans to discontinue any of the product lines and the answer was a resounding, "No!" Zebra and Eltron plan to capitalize on each other's products by pooling capital, marketing methods and distribution channels. Skinner said it is likely they will share R&D information as well.

Both Skinner and Whitchurch believe the positive response to the merger throughout the industry is overwhelming. "The financial community seems to regard the merger very favorably," said Skinner, "and so do our business partners."

Comment: If a "match made in heaven" truly exists, the Zebra/Eltron merger may be one. In our talks with members of the ADC and financial communities, we have yet to hear a single negative comment about the proposed merger. In almost every aspect, Zebra has what Eltron wants and vice versa.

Their combined revenues and assets will make the new organization one of the largest and strongest companies in the ADC industry. Both companies have skilled management teams as well as highly-recognized and respected names in the ADC industry. Their shared distribution channels should provide increased sales for both the low-end and high-end printer lines.

Although neither company intends to close manufacturing sites, there may come a time when it will make good sense to consolidate facilities. But until the merger is complete, it is unlikely that any speculation along those lines will be offered.

For more information: **Eltron International**, Simi Valley, CA, PH (805) 579-1800, FX (805) 579-1808; **Zebra Technologies**, Vernon Hills, IL, PH (847) 634-6700, FX (847) 913-8766. SCAN

Self-Checkout Market Offers Huge Potential

If sales meet **Symbol Technologies'** predictions, there may be more demand than supply for the company's new self-checkout systems. In a conversation with Judy Murrah, senior director of consumer systems for Symbol Technologies, she told us that over 140 stores around the world are currently using the new technology and that figure is growing daily.

In the 5/24/96 edition of *SCAN/DCR*, we reported on the roll-out of a new self-checkout system for the **Safeway** grocery store chain. At the time, Safeway was installing these systems in 70 stores. Eventually, the giant grocer plans to use self-checkout in all of its 150 "superstores" which are part of Safeway's 369-store chain.

Retailers using the self-checkout system benefit from increased sales and customer loyalty.

Since then, Symbol has sold the system to two more major retailers for use in pilot programs. Although Symbol was not at liberty to name these customers, Murrah told us both are major chain stores. And, in a recent issue of *Chain Store Age*, Randy Mott, senior vice president of **Wal*Mart**, stated that the company is testing Symbol's self-checkout system in one of its **Sam's Club** division stores. Mott could not be reached for further comment regarding any plans to expand the self-checkout "test."

Playing the devil's advocate, we asked Murrah if customers could be trusted to perform self-checkout procedures honestly. And, we asked if self-checkout systems might increase shrinkage problems [shoplifting and employee theft] that already plague the retail industry.

Murrah told us that there is more shrinkage from employee theft than shoplifting. In the supermarket/grocery industry, employee theft accounts for 45.6 % of the total shrinkage compared to 34.2 % from shoplifting, according to a University of Florida study on national retail security. Retailers view the self-checkout system as a deterrent to employee theft. A large portion of employee theft occurs at the point of sale. It is easy for a cashier to pass goods through the checkout without scanning them for a relative or a friend [referred to in the industry as "sweethearting"]. Retailers believe self-checkout will stop much of this from occurring.

Self-checkout offers speed and ease for customers.

The self-checkout system is not without restrictions. A customer must fill out a questionnaire to apply for a special "shoppers' card." Upon approval, the customer is issued the card. The first time a shopper uses the self-scanning system, a re-scan of the items purchased is performed by a cashier to check for accuracy. An accurate re-scan means the customer is less likely to be subjected to the re-scanning process in future visits to the store. The self-checkout scanners run on an elaborate software system. Customer information is transferred to a computer through radio frequency communication or batching methods. For security reasons, Symbol did not wish to elaborate on exactly how and when information is processed.

A customer entering a participating store uses the shoppers' card to obtain a scanner from a rack. The customer then does his shopping, scanning products as they are put in the shopping cart. The self-scanner has a plus key for purchases, a minus key for deducting items if the customer changes his mind, and a key for the accumulated total. When the customer finishes shopping, the self-scanner prints a receipt [which also includes a bar coded total] which is taken to the cashier at the point of sale.

If the customer is due for a periodic check, the cashier re-scans the purchases. Once again, the frequency of these checks is determined by the customer's accuracy history. The retailer determines how often re-scans are needed and may customize the system to meet his needs.

If the printed receipt does not call for a re-scan, the customer simply hands the receipt to the cashier who scans it into the point of sale system and collects the money for the purchases. Deductions for coupons are also made at the point of sale.

Murrah told us that retailers using the self-checkout system benefit from both increased sales and customer loyalty. Retailers have also found the self-checkout system has relieved some of the problems with scheduling employees during "peak periods" of business. It is difficult to require employees to come to work for only a short time during peak sales hours. And, store owners may not always know when these peak times will occur. If customers do their own scanning, there is no need to hire or schedule more cashiers for these busy times.

Comment: It is evident in our daily lives that we are becoming an automated society. Whether at the gas pump or a MAC machine, self-service is the emerging way of conducting business. Therefore it does not surprise us that self-checkout systems in grocery stores are becoming more popular with both retailer and their customers.

*In SCAN/DCR 5/24/96, we estimated that Safeway's use of these scanning systems could reach as many as 30,000 units. Now imagine the sales possibilities if other chains such as **Krogers**, Wal*Mart, **Wegman's**, **Harris Teeter**, **Food Lion**, and **Tops Markets** were to start using self- checkout systems. The numbers are almost staggering.*

We predict this will be a large market for Symbol Technologies and others who may provide similar systems. It is easy to see how the demand could be greater than the supply for these new products.

For more information: **Symbol Technologies**, Holtsville, NY, PH (516) 738-4696, FX (516) 563-5554, E-mail: murrah@symbol.com.

Government Study Confirms Checkout Scanner Accuracy

by George Goldberg

For the past three years, repeated attacks by the national media — particularly on TV — have criticized the so-called "scanning-error" abuses by retailers. The grocery retailers were taken to task by the **ABC** and **CBS** television networks in separate studies completed in 1993 (*SCAN* 4/93; 9/93). A year later, the department, discount and massmerchandise stores were lambasted in a December 1994 *Dateline NBC* news broadcast for these same checkout discrepancies (*SCAN* 2/95).

In response to these reports and other consumer complaints — including critical comments posted on the Internet — the U.S. Federal Trade

• The FTC report concluded that these mistakes were **pricing** errors and not **scanning** errors - - a most significant difference. Mispricing, although not intentional, occurred because of "inattentiveness and carelessness" by store personnel in maintaining computer price files, item tags and shelf markers. The scanners did not malfunction.

SUMMARY OF INSPECTION RESULTS BY STORE CLASSIFICATION

Classification (No. of Stores)	AUTO 4	DEPT 30	DISC 80	DRUG 39	FOOD 113	HOME 17	TOY 9	MISC 2	TOTAL 294
Total No. Of Overcharges	6	60	95	79	115	32	1	0	388
Percentage of Overcharges	2.02%	3.25%	1.87%	3.56%	1.92%	2.52%	0.20%	0.00%	2.24%
Total $ of Overcharges	$6.90	$457.41	$249.64	$80.69	$60.47	$313.49	$4.02	$0.00	$1,172.01
Average $ of Overcharges	$1.15	$7.62	$2.63	$1.02	$0.53	$9.80	$4.02	$0.00	$3.02
Total No. of Undercharges	2	109	136	61	93	36	8	1	446
Percentage of Undercharges	0.67%	5.90%	2.68%	2.75%	1.55%	2.84%	1.60%	1.01%	2.58%
Total $ of Undercharges	$2.09	$576.92	$298.64	$59.12	$70.30	$262.98	$39.62	$10.00	$1,319.67
Average $ of Undercharges	$1.05	$5.29	$2.20	$0.97	$0.76	$7.31	$4.95	$10.00	$2.96
Total No. of Items Checked	297	1846	5071	2218	5999	1269	499	99	17,298
Total % of Errors	2.69%	9.15%	4.56%	6.31%	3.47%	5.36%	1.80%	1.01%	4.82%

Commission undertook an 18-month survey checking 17,000 randomly-selected items at 294 stores in seven states. The Report on the Accuracy of Checkout Scanners, released on October 22, shed new light on this pervasive and misunderstood problem:

• Overall, the FTC found that there is a 95% accuracy rate at the scanning checkouts; i.e., one in twenty items scanned in all tested stores came up with the wrong price. The outlets surveyed included food, drug, home-improvement, automotive, toy, discount and department stores. The supermarket pricing error rate was among the lowest, at 3.47%; the department store error rate was the highest — an astounding 9.15%.

• The most surprising result of all, according to Jodie Bernstein, director of FTC's Bureau of Consumer Protection, was that "when scanned prices did not match the shelf or sale prices, consumers were <u>undercharged</u> [in supermarkets]...more than they were overcharged." The study found the average overcharge at food stores was $.53 and the undercharge was $.76. At department stores, the overcharge was $7.62 and the undercharge $5.29.

Having determined that the scanners were not at fault — and that the error rate for manual cash registers was much higher — the FTC concluded that these results were reasonable and acceptable. The agency cited the number of SKUs in a typical supermarket (40,000 items) and department store (up to one million or more) — plus the hundreds of price changes each week — as adequate excuses for the inadequate price file maintenance by the retailers.

Comment: We heartily agree with the FTC's research findings, but we totally disagree with their conclusion that a 5% error rate is acceptable. Considering the technology that is available to ensure conformity between shelf and computer prices, we believe that these results are unacceptable. For a shopper to learn that one out of every twenty items purchased may be incorrectly priced at checkout destroys all faith in the system.

The fact that undercharges are more prevalent than overcharges in some stores is poetic justice for those careless and sloppy store managers who have been ignoring pricing error problems as one of those "costs of doing business" not worthy of attention. In the supermarket trade, where the differences between adequate and poor profitability margins are often measured in tenths of a percent — and where customer satisfaction can make or break a retail chain — this attitude is incomprehensible.

We would suggest that every salesperson of shelf/computer price conformance systems be armed with a copy of this FTC report to wave under the noses of these delinquent retail executives.

For more information: **Federal Trade Commission**, Washington, D.C., PH (202) 326-2100. SCAN

FINANCIAL NEWS

Financial Reports Reveal Patterns For Success And Failure

The recent financial performances of a number of major ADC companies' indicate why some are achieving great success and others are faltering financially. In reviewing the financial reports of these companies, *SCAN/DCR* found some interesting trends.

Let's start with **Metrologic**, a manufacturer of bar code scanning equipment which incorporates laser and holographic technology. Sales were up 19% for the third quarter compared to the same quarter a year ago. But what is really notable is net income for the same period increased 147% over last year's results. These figures are largely a result of the successful launch of two new products, the MS6720 Omnidirectional Hand-Held Scanner and the new HoloTrak™ series of holographic industrial scanners. Metrologic's president, C. Harry Knowles, was able to introduce these new products to the market with few delays and problems [see *SCAN/DCR* 6/28/96]. His profits show his success.

Symbol Technologies, a manufacturer of bar code-driven, data transaction systems, offered its shareholder earnings of $0.28 per share. This figure could have been double were it not for a $12.341 million pre-tax charge due to "acquisition-related matters." Sales were up 20% in the third quarter compared to the corresponding quarter last year.

Although acquisitions usually strengthen a company's market position in the long haul, the immediate results often show up in a drop in earnings per share [EPS]. However, putting this aside, Symbol has shown consistent growth this year and seems to be managing its business well.

PSC's acquisition of **Spectra-Physics** had a drastic effect on the company's third quarter. Although sales for this quarter more than doubled last year's quarterly results for the same period, PSC showed a loss of $48.775 million [$4.48 per share] for its third quarter. This was largely due to expected write-offs and charges associated with the Spectra-Physics acquisition. One such write-off for in-process research and development totaled $60.1 million.

As we said, these write-offs and charges were expected and did not alarm financial analysts following PSC's stock. However, there seems to be more going on than just the effect of the acquisition. PSC had problems with the DI Minuet series of scanners, a very small, high-performance scanning engine developed and introduced in the Spring of 1996 [see *SCAN/DCR* 6/14/96]. Our sources told us that although PSC is still firmly committed to the DI series technology, new unit sales have been less than impressive.

An inside source at PSC explained that sales of the DI Minuet to Telxon were expected to be much higher than what has transpired. The source said this is most likely because Telxon's sales have been down somewhat. Telxon [the source surmised] is still using the Symbol scanners from its inventory.

Peak Technologies had been riding the crest of a wave but tumbled during its third quarter. The VAR/distributor showed a net loss of $132,000 [$0.01 per share] for its third quarter. Company officials would not return our calls, but their press release noted that Peak experienced "unexpectedly soft sales in September, particularly in its European operations." [For information on Peak's European acquisitions see *SCAN/DCR* 8/23/96] The release also stated that the company had experienced "delays in orders for certain higher-margin systems." So in the case of Peak Technologies, it's hard to tell whether the company's losses were just due to a few bad sales months, problems concerning recent acquisitions, or a combination of the two.

Zebra Technologies, a manufacturer of a broad line of thermal transfer label printers, recorded a record net income of $8.714 million [$0.36 per share] for its third quarter. Year-to-date sales were $122.596 million with a net income of $20.224 [$0.84 per share]. This equals a 22.5% growth in operating profits on a sales growth of 17%.

Sources for Zebra attributed the company's success to a series of new product launches which have increased the printer manufacturer's profits. New product launches are the key to any company's success provided they involve both a great deal of preparation and a strict adherence to cost-control.

Dollars In Thousands (LOSS)

Categories	Metrologic	Symbol Technologies	PSC
3rd Quarter Sales - 1996	$11,500	$170,963	$46,486
3rd Quarter Sales - 1995	$9,700	$142,811	$22,483
Percentage of Increase	19%	20%	106.70%
3rd Quarter Net Income - 1996	$740 - $0.14 per share	$7,503 - $0.28 per share	($48,775 - $4.48 per share)
3rd Quarter Net Income - 1995	$299 - $0.06 per share	$11,468 - $0.42 per share	$1,566 - $0.15 per share
Nine-Month Sales - 1996	$33,600	$479,373	$90,037
Nine-Month Sales - 1995	$30,400	$411,698	$66,060
Percentage of Increase	11%	16.40%	36.20%
Nine-Month Net Income - 1996	$1,900 - $0.36 per share	$34,882 - $1.28 per share	($48,129 - $4.68 per share)
Nine-Month Net Income - 1995	Approximately the same.	$34,001 - $1.26 per share	$5,151 - $0.52 per share

Categories	Peak Technologies	Zebra Technologies	Eltron International
3rd Quarter Sales - 1996	$57,448	$43,757	$24,013
3rd Quarter Sales - 1995	$45,582	$37,480	$14,292
Percentage of Increase	26%	16.70%	68%
3rd Quarter Net Income - 1996	($132 - $0.01 per share)	$8,714 - $0.36 per share	$2,676 - $0.34 per share
3rd Quarter Net Income - 1995	$2,296 - $0.25 per share	$960 - $0.04 per share	$1,759 - $0.23 per share
Nine-Month Sales - 1996	$166,251	$122,596	$65,762
Nine-Month Sales - 1995	$135,057	$107,360	$38,247
Percentage of Increase	23%	14.20%	71.90%
Nine-Month Net Income - 1996	$4,192 - $0.45 per share	$20,224 - $0.84 per share	$4,757 - $0.66 per share
Nine-Month Net Income - 1995	$5,314 - $0.64 per share	$14,664 - $0.61 per share	$4,884 - $0.68 per share

Eltron International is a manufacturer of low-cost, thermal, label printers, plastic-card printers, smart card printing systems, verifiers, software, and label media and related accessories. Eltron's third quarter marked the company's 23rd consecutive quarter of record growth. Even more important, net income was up 52%. Eltron's stock holders were treated to a 48% increase in earning per share [from $0.23 EPS in the third quarter 1995 to $0.34 EPS for the latest quarter].

In our conversations with Eltron's upper management, they told us almost the same story as Zebra's management. Eltron operates under the premise that, to succeed, ADC manufacturers must continually offer new and improved products. The key is to accomplish this without driving up costs.

International Imaging Materials, Inc. [iimak], a manufacturer of thermal transfer ribbons, showed across-the-board increases. Total sales for the company's second quarter were up 26.5%. Net income for the second quarter was up 29.7%. Perhaps most importantly, net income for the first six months of the company's fiscal year was up 41%. President and CEO, John W. (Jack) O'Leary told us the company goal is to limit expense increases to half the increase of revenues. So if revenues go up 30%, expenses can only rise 15%.

When asked why he thought his company had such a good quarter, O'Leary replied, "In 1994 the [ADC] industry bought more ribbons than necessary. Consequently, in 1995, sales leveled and actually were a little below normal. This year the market has been really great again."

Other factors affecting the company's bottom line are iimak's new manufacturing plant (which O'Leary described as "state-of-the-art") and an expanded R&D department. International Imaging employs 34 engineers - six have doctorates and 11 have master's degrees. "New products offering greater speed, drive the growth of the ADC industry," stated O'Leary.

Telxon Corporation recently filed its second quarter report. The company showed a loss of $4.7 million or $0.29 per share. However, this was not out of line with earlier management guidance. Earlier this year, Telxon experienced difficulties with the roll-out of its new, ruggedized laptop and pen-based computers. Following a disastrous drop in the company's stock [SCAN/DCR 6/14/94], Frank Brick was named the new president and Telxon has since embarked on a new efficiency program [including a 10% reduction in workforce]. Brick's goal is to lower production costs in an effort to improve the company's profitability.

Comment: Even though Peak Technologies, PSC and Telxon stumbled in their recent quarterly financial results, we see no reason to lose faith in the ability of any of these companies to shake off their problems and move forward. We learn from our mistakes.

This year we have repeatedly seen disastrous results when new products were released to the market "before their time." The resulting clean-up expense to re-engineer or rework these products can devastate a company's bottom line.

New products are very important to keep the ADC industry alive and growing. However, when company management ignores expenses, the profitability story's conclusion will be the same nearly every time, and it's not a happy ending.

Dollars In Thousands (LOSS)

International Imaging Materials, Inc.	1996 [1997 Fiscal Year]	1995 [1996 Fiscal Year]
2nd Quarter Sales	$26,900	$21,200
2nd Quarter Net Income	$2,900 - $0.32 per share	$2,200 - $0.24 per share
Six-Month Sales	$51,900	$40,200
Six-Month Net Income	$5,700 - $0.64 per share	$4,000 - $0.43 per share
Telxon Corporation	**1996 [1997 Fiscal Year]**	**1995 [1996 Fiscal Year]**
2nd Quarter Sales	$108,314	$107,016
2nd Quarter Net Income	($4,702 - $0.29 per share)	$2,811 - $0.17 per share
Six-Month Sales	$220,697	$210,557
Six-Month Net Income	($9,499 - $0.58 per share)	$5,040 - $0.31 per share

For more information: **Eltron International**, Simi Valley, CA, PH (805) 579-1800, FX (805) 579-1808; **International Imaging Materials Inc.**, Amherst, NY, PH (716) 691-6333, FX (716) 691-1060; **Metrologic Inc.**, Blackwood, NJ, PH (609) 228-8100, FX (609) 228-6673; **Peak Technologies**, New York, NY, PH (212) 832-2700, FX (212) 832-3151; **PSC**, Webster, NY, PH (716) 265-1600, FX (716) 265-6400; **Symbol Technologies**, Holtsville, NY, PH (516) 738-4699, FX (516) 738-4740; **Telxon Corp.**, Akron, OH, PH (330) 873-2961, FX (330) 873-2889; **Zebra Technologies**, Vernon Hills, IL, PH (847) 634-6700, FX (847) 913-8766. SCAN

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