

L&H still on acquisition trail

Lernout & Hauspie, which in the last 18 months has acquired a number of translation companies in various European countries, has added two Scandinavian companies to its portfolio. These are Trantex of Finland, and Wordwork of Sweden.

Lernout & Hauspie has also signed a letter of intent to acquire a third company, Kermit srl, of Italy.

"All three companies are recognised leaders in their respective markets," says L&H "and, as such, will help the company further its leadership base in translation services and provide the groundwork for the development of other multilingual speech products. The acquisitions also help L&H realise its goal of broadening its service and product base in European languages".

L&H acquired Trantex and Wordwork for an amount of approximately \$11.3 million, of which \$6.8 was paid in cash, and the rest in common stock, based on an earn-out over the next two years. Both companies had a revenue in 1996 of approximately \$11.3 million and a profit before tax of approximately ten per cent.

Figures for the Kermit deal have not yet been announced, but 1996 Kermit revenue was approximately \$2.3 million with 15% profit before tax.

Trantex, set up 14 years ago, now has two offices, is headed by Juhani Paakkonen, and claims to be Finland's largest provider of

software and multimedia localisation, documentation and translation services for companies such as IBM and Microsoft. L&H believe that this acquisition will not only strengthen its position in Scandinavia, but also - because of Finland's closeness to Russian - allow it to move into the relatively untapped Russian translation market.

Wordwork's customers for translation and localisation services include Autodesk, Corel, Microsoft, Oracle and Sun. Wordwork is headed by Lennart Waje.

L&H translation company acquisitions become part of the division centred on the largest of its purchases, the Mendez company of Brussels.

Lernout & Hauspie started out as an advanced speech technology company, and is still a leading operator in this domain from its international headquarters in Ieper, Belgium. The company is now divided into four main divisions - core technologies,

dictation (including speech technology), translation, and Internet services.

"By aligning ourselves with partners who are already established market leaders in their own regions, we are solidifying L&H's leadership in Europe's translation market", commented Gaston Bastiaens, president and chief executive officer of L&H. "It also clearly indicates that L&H is implementing its worldwide dictation, localisation and machine translation strategy".

"As we clearly indicated throughout 1997, L&H Mendez's mission is to become the number one translation and localisation company", was the reaction of Florita Mendez, president of the L&H Mendez division. Our focussed strategy clearly indicates that we are well on our way. Our next step is the Far Eastern languages, which is the last missing piece of the puzzle. This will assist us in our goal to grow faster than the expected average market growth". ■