

# Major L&H acquisitions

## - Globalink, AILogic, NeocorTech, Heitmann

### Internet translation system, iTranslator, to be launched this autumn

A series of major acquisitions by L&H in late July and early August was the biggest talking point in translation circles all over the world. Following on a programme of acquisitions during the last two years (chronicled in the detailed feature in the June issue of *Language Today*) these latest moves give L&H the most comprehensive language translation offerings in the market.

The Globalink acquisition was announced on July 20, just too late for our August issue. The announcement reported that L&H had signed an agreement to acquire the machine translation company Globalink Inc. L&H intends to acquire Globalink Inc. in an all-stock deal of \$5.60 per share of Globalink's outstanding common stock (subject to adjustment). With approximately 12.7 million shares outstanding, the total price equals approximately 1.2 million shares of L&H common stock. The Globalink transaction is expected to be completed within a few months, following a filing with the Securities and Exchange Commission and approval by Globalink's stockholders. L&H is planning to integrate the Globalink technology into its own Language Technology Division in Belgium, headed by Peer van Driesten.

On the same day as the Globalink announcement L&H also announced the acquisitions of AILogic Corporation and NeocorTech, both leading providers of machine translation technology for Asian languages. AILogic has been acquired for \$5.5 million in cash and Neocor for \$1 million in cash.

L&H will integrate the expertise gained through the acquisitions into products and services such as its search, summarisation and translation service for the Internet, called iTranslator. It will expand iTranslator's language translation offerings to include various language pairs comprising Italian, Brazilian,

Portuguese, Japanese and Chinese. iTranslator currently supports machine translation of web pages and other Internet documents for English to German and German to English, English to French and French to English, English to Arabic and Arabic to English, and English to Spanish and Spanish to English. The company is planning to launch iTranslator this Autumn.

'These acquisitions let L&H add a number of widely-used languages to our speech and language products and services', said Gaston Bastiaens, L&H president and chief executive officer (CEO). 'As a result, our Language Technology Division has secured the market leadership position with what is now the most comprehensive language translation offering on the market. Going forward we will focus on the successful market introduction of our internet-based translation service and on language solutions for the corporate market'.

Through the acquisition of Globalink, L&H gains not only new machine translation language pairs but also a number of new retail translation products, electronic translation business and access to Globalink's multinational customer base. Access to Globalink's products and customers will help L&H expand its global selling efforts and augment its retail sale channel base. The AILogic and Neocor acquisitions provide Chinese to and from English and Japanese to and from English machine translation language pairs, web translation and optical character recognition products for PC, network and enterprise platforms. In addition, these acquisitions will bring approximately 50 highly qualified engineers and linguists into the L&H organisation.

'Globalink has long recognised the tremendous potential of the world-wide translation market, which many analysts estimate to be a billion dollar market in

the coming years,' said Harry Haggerty, Chairman and CEO of Globalink. 'By joining forces with Lernout & Hauspie, the market leader in speech and linguistic technologies, we can amass the resources required to develop world class machine translation products and solutions to meet the growing needs of the market.'

The acquisition (strictly speaking "a definitive agreement to acquire") by L&H of the Heitmann Group was announced on August 5. The Heitmann Group is an international publisher of multilingual technical information, based in Wuppertal, Germany. It is active in the areas of aerospace and automotive engineering, and in government work, and has offices in Germany, UK, Denmark, Norway and the USA. Its customers include General Motors, British Aerospace and British Telecom.

The purchase price paid for Heitmann was \$35 million, consisting of \$15 million in L&H common stock and the assumption of \$20 million in repayment of debts.

'As a world leader in language and speech technology, L&H has powerful tools and expertise that, combined with Heitmann's skills and technology, will allow us to dramatically diversify our offerings and the markets we pursue', said Philippe von Stauffenberg, chairman of the Heitmann Group. 'Further, our combined global market support should allow us to service and grow what is already a strong customer base'.

As a result of the acquisition the L&H Translation Division will be transformed into the Multilingual Document Solutions Division. It will integrate into the division more than 250 Heitmann software engineers, linguists and technical writers. L&H plans to use Heitmann's internet and intranet design and development expertise to continue development of its own multilingual website service.

Following the acquisition, Florita Mendez, currently president of the L&H Translation Service, will become the president of this newly transformed division. This division is expected to have 800 employees (including the 350 joining from Heitmann) covering all of the major languages in the translation industry. L&H is planning to commence integration immediately. ■