

acquired a dozen companies specializing in word processing, small computers and other technology that would supplant AM's traditional products in the office of the future. At the same time, he ignored these older but still profitable businesses, using them as cash cows to finance acquisitions.

As a result of Mr. Ash's headlong plunge into high tech, the company went from a cash surplus to accumulated debt of \$228 million by the end of its 1980 fiscal year, and at the end of the 1981 fiscal year AM posted a whopping \$245 million loss.

Faced with that sea of red ink, Mr. Black began selling off the company's new acquisitions, and some old operations. Mr. Freeman continued the process, but even so, AM defaulted on a \$155 million credit agreement with 21 banks, and went into bankruptcy.

THESE days, the company consists of three autonomous operating divisions - Multigraphics, Varsity, which makes phototypesetters, and Bruning, a graphic supplies business - and an international sales and service unit. The work force, too, has been slimmed down, from 18,000 four years ago to about 10,000 today.

AM's financial position has strengthened significantly. For the 12 months ended Jan. 28, AM reported operating profits of \$19.1 million on revenues of \$572 million, contrasted to the previous year's \$3.4 million operating loss on revenues of \$576.4 million. The company's negative net worth - the amount by which its liabilities exceed its assets - has been reduced to \$26 million as of Jan. 28, from \$86.7 million a year ago, largely due to gains in extraordinary items, including the termination of the company's retirement plan.

In the long haul, though, AM's ace in the hole may be the \$213 million net operating loss carryforward it still has left from its 1981-82 losses. Once AM becomes more secure financially, the carryforward's tax benefits could make the company an attractive acquisition candidate for a buyer looking to offset its own earnings - or could be used to offset the future earning of any company AM acquires.

As the creditors and employees know, though, neither AM's future nor Mr. Banta's is assured.

The company's current finances and strategies were shaped less by Mr. Banta than by his predecessors, and it will be several months before the new chairman makes his mark.

Still, the message Mr. Banta is taking to AM employees is that, unlike the last three chairmen, he is there for the long haul. "I tell them I am here to stay, the company is here to stay," he said. "I want to get my gold watch at 65."