

The Count Down

by Kelly Stowe



4/30/92 Net income Mar 31 quarter \$4.1 million.

6/21/92 Stock is \$11/share at this point.

8/20/92 Commodore "surprised" investors by first posting loss: Jun 30 quarter, \$21.9 million. Securities analysts expected "slim profit." Stock drops to \$6.875 from previous \$9.125. Ronald Opel, stock analyst says this is a "huge disappointment," but he thinks things will get better after Commodore's "usually strong Christmas selling season," citing a respectable balance sheet and cyclical patterns in the company's performance. Commodore says a "soft market" in Europe is responsible for the loss.

11/6/92 Net loss Sep 30 quarter \$18.8 million.

11/6/92 Commodore again cites "soft market" in Europe as cause of loss, especially weak in Germany. Ronald Opel thinks Commodore will recover when the European economies begin to bounce back in 1993.

2/5/93 Net loss Dec 31 quarter \$77.2 million.

2/5/93 Commodore stock goes down to \$5.50 after posting loss. Although it cost \$50 million to close and consolidate operations in Hong Kong and Germany and transfer these operations to the Philippines, Commodore claims its losses are due to an unfavorable exchange rate in Europe. Irving Gould is "extremely disappointed."

6/1/93 Net loss Mar 31 quarter \$177.6 million. Although \$135 million is a charge to write down assets and restructure, Commodore is still blaming economic softness" in Europe. Again, Irving Gould is "extremely disappointed."

6/21/93 Stock is down to \$2.87. Commodore is already in default on a \$33 million loan with Prudential and has until 7/31/93 to restructure its debt.

11/15/93 Net loss Sept 30 quarter \$9.7 million.

12/31/93 The Commodore financial statement and footnotes state, among other things, that Commodore is in non-compliance with the note agreements on \$33 million of senior notes held by two institutional lenders (according to the Washington Post on 6/22/93, at least one of those lenders would be

Prudential, and the waiver extended by the lenders would be expired January 31, 1994). It also states that a company controlled by the Chairman, Irving Gould, loaned a total of \$17.4 million to Commodore in secured loans.

2/22/94 (Wall Street Journal) "PC Shipments in Europe Fell in Quarter, With Commodore as the Biggest Loser" (headline). The story, from London, is how horrible the recession in Europe is for computer manufacturers, particularly Commodore, who removed their entire fine of "IBM-compatibles" from the market. However, this same story states "If Commodore results are ignored, the rest of the PC industry looks a lot healthier with unit sales rising 9.8%," with a jump of 30% for Compaq alone.

3/2/94 Microsphere and Commodore announced that many Amiga products would now be available through Microsphere.

3/26/94 Commodore stock falls to \$3 a share after announcing it posted a loss of \$8.2 million for the Dec 31 quarter. Commodore said that without additional financial help, it could be forced into a reorganization or liquidation proceedings. Dow Jones reports that NYSE is reviewing Commodore's eligibility for continued listing.

4/4/94 Commodore's Dec 31 quarter loss causes panic stock sale. Trading is stopped on Commodore stock on 4/5/94 due to trade imbalance.

4/24/94 Marriott is listed as a creditor in the amount of \$350,000 "for last year's Devcon."

4/29/94 Commodore International announced today (Friday) it is going out of business, and plans to transfer its assets to unidentified trustees "for the benefit of its creditors," and has placed its major subsidiary, Commodore Electronics, Ltd., into voluntary liquidation.

Today? **Who knows...**

READY.



 www.commodore.ca