

# Report Loral to Buy Librascope for \$9M

By JACK ROBERTSON

WASHINGTON — Loral Corp. last week reportedly signed a letter of intent to pay \$9 million to acquire Librascope Corp., the last remaining portion of the former Singer Co. that corporate raider Paul Bilzerian was never able to sell.

Soures said the deal is expected to close Dec. 23, as soon as it gets bankruptcy court approval.

Loral is believed to be the only firm that bid for Librascope in bankruptcy proceedings disposing of assets of Bilzerian Partners that owned the firm ever since it made a leveraged buyout of the old Singer Co. Ironically, the Bilzerian group in 1988

turned down offers as high as \$155 million for Librascope and was demanding a \$200 million price.

Librascope reportedly will have about \$100 million in sales this year, and has been profitable for every year in the last half-century.

Asked to comment on the report, a Librascope spokesman referred all comment to Loral. A Loral spokesman would neither confirm nor deny the report.

For what many in the defense contractor community view as a bargain-basement price, Loral would pick up a military computer and communications firm that has been an acknowledged mili-

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# Report Loral Agrees To Acquire Librascope

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tary R&D leader.

Never a very large contractor, Librascope still carved out a respectable market niche in anti-submarine warfare displays, special Army computer and communications systems, and other advanced military equipment.

Librascope is the incumbent display firm for General Electric's AN/BSY-2 submarine combat control system for the SSN-21 Seawolf submarine. The firm also holds the same role for IBM's AN/BSY-1 systems for the Los Angeles class attack submarines.

Librascope at one time was a major tactical equipment supplier to the Army with the Tactical Computer Terminal and a communications interface unit that interconnected various Army battlefield communication networks. Both projects have since been phased out.

At the outbreak of Desert Storm, the Army came to Librascope with a desperate need to buy more communication interface units, but the firm had long since scrapped the tooling and told the Army the war would be long over before it could ever get back into production.

Librascope was one of the unsuccessful bidders for the Army laptop Lightweight Computer Unit (LCU), won by SAIC proposing Zenith Data Systems laptops. The LCU program had an exacting demand for communication interfaces to all Army tactical networks, and Librascope had hoped its previous communications interface experience would

help it win the bid. Instead the SAIC team using Magnavox communication interface equipment was successful.

Rivals last week feared that Loral, which has extensive ASW and C3 operations across its scattered divisions, could parlay Librascope's expertise to strengthen the competitive position of its other military businesses. Likewise, Loral resources could fortify Librascope, if the emerging defense giant decides to retain the unit as a separate entity.

Librascope was the only portion of the old Singer defense operations that the former Bilzarian Partners group that took over Singer Co. was never able to divest. Boeing, Rockwell International and GE had expressed interest in 1988 when Bilzarian was trying to unload Librascope but no firm would meet the \$200 million price.

The investment group then kept and ran Librascope until the firm entered bankruptcy after Mr. Bilzarian was convicted and jailed for securities law violations.

Loral chairman Bernard Schwartz has earned a reputation as one of the defense industry's shrewdest buyers — which the \$9 million Librascope purchase underscores. Mr. Schwartz beat Boeing and Hughes in fierce bidding to acquire the former Ford Aerospace \$1.9 billion a year operations for \$715 million. Special financing arrangements and subsequent sale of some of the Ford assets resulted in Loral finally gaining the Ford operations by paying only \$158 million.