

Lexmark To Cut 1,700 Jobs, Stop Making Inkjets

The Associated Press

LEXINGTON, Ky. (AP) — Lexmark is cutting 1,700 jobs, or almost 13 percent of its workforce, and says it will stop making inkjet printers as part of a drive to cut costs as it deals with shrinking sales of inkjets.

The printer and software company said Tuesday that it will close its inkjet supply plant in the Philippines by the end of 2015. It is also putting its inkjet technology up for sale.

Shares jumped \$3.11, or 16 percent, to \$22.12 in late morning trading. They had lost 43 percent of their value this year.

Lexmark had about 13,300 employees as of Dec. 31. Lexmark has been shifting its focus from consumer inkjet printers, focusing on higher-profit laser printers and supplies for businesses and software services.

It has made a series of acquisitions, including Luxembourg's BDGB Enterprise for about \$148 million. This purchase included BDGB's U.S. subsidiary Brainware Inc., which provides data capture software to businesses.

The job cuts include about 1,100 manufacturing jobs. Lexmark says the moves will save it \$85 million in 2013 and \$95 million a year by 2015. It expects to book costs of \$160 million over three years for the restructuring.

Lexmark International Inc., based in Lexington, Ky., says it will continue to provide support and supplies for its inkjet printers still in use.

The restructuring is the second in less than a year for Lexmark, which said in January it would cut 625 jobs.

Lexmark in July reported second-quarter results that fell short of Wall Street expectations as the economic crisis in Europe pulled down demand.

Source URL (retrieved on 09/20/2014 - 9:21pm):

<http://www.impomag.com/news/2012/08/lexmark-cut-1700-jobs-stop-making-inkjets>