

Trinity Mirror cuts set to hit print

By Tony Brown

The printing sites of newspaper publisher Trinity Mirror are set to be hit hard in the round of job cuts announced last week.

It is believed up to one quarter of the management staff at Mirror Colour Print works in Watford and Oldham are under threat as part of the bloodletting of 800 staff across the group.

An e-mail sent by an insider to Printing World from the Oldham site last week, a day before the job cuts were announced to the City says: "Trinity Mirror's printing plant in Oldham, Lancs, is to shed 25% of its management team through redundancy.

"The plant prints many Mirror Group titles and has

had its busiest year ever."

Trinity Mirror announced that it is shedding the staff over the next three years in total in a bid to save £35m a year. Around 200 will go by the end of this year, including 85 from its loss making Internet digital media division.

The cuts will reduce the group's 12,500 workforce by 6.5% over three years. A spokeswoman for the company said TM was not saying where the job losses would hit.

Trinity Mirror has blamed increased competition from Richard Desmond's Express group, its nearest rival in the mid-market national newspaper sector.

Many analysts are predicting a price war between

Trinity Mirror's flagship title, The Mirror, and The Express in the next few weeks.

The publisher also owns the Sunday People and the Sunday Mirror.

But the rising costs of newsprint which increased 12% over last year and falling advertising revenue has also been blamed. TM announced interim pretax profits were down 10% at £80.9m in the 26-week period to July 1, compared to the same period last year.

Its regional newspapers, which it says are the "biggest but not yet the best", saw operating profit edge up 0.8% to £65.3m.

Its regional papers include the Newcastle Evening Chronicle, Liverpool Echo

Big Blue beats the blues with profits

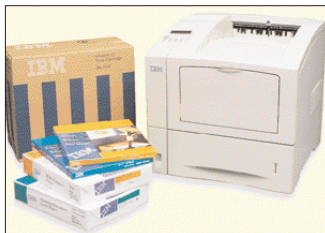
By Alex Grant

IBM has managed to achieve a 5% increase in second-quarter profits but is warning of harder times to come, particularly in chip sales.

Sales were the same as last year at \$21.6bn, but profits rose because of increases in its Global Services business, which offset the decline in hardware sales - including printers as well as PCs - which declined from \$9.1bn to \$8.6bn.

However, the fact that PC sales were down 16% shows that production printer sales did not do too badly, and overall hardware margins have risen from 27.3% to 29.9%.

Chairman Lou Gerstner, who is due to step down next



Diversification is the key, says IBM

year, says that hardware is subject to a "fundamental shift" in buying patterns towards software and "middleware", which is unrelated to any short-term economic factors. By diversifying, IBM is "uniquely positioned to lead in this new environment regardless of economic conditions," says Mr Gerstner.

"In light of the extremely difficult industry conditions, as well as the dismal results posted by many IT

Filofax gives in to Letts

Filofax, the personal organiser company that was a flagship of the 1980s, has succumbed to a bid from Letts, the Dalkeith diary producer.

Filofax floated in 1987 with a valuation of £12m and was sold to US company Day Runner in 1998 for £50m. Now Letts has bought the company for £17m, its first deal since an mbo from Bemrose in August last year.

Letts says it beat a number of others interested in buying the company when Day Runner began to restructure its operations.

Gordon Presley, who led that mbo, says: "The transaction combines two world-leading brand names in the paper-based time management market and is a logical consolidation play in an established sector."

KCG shares on ice

Kalamazoo Computer Group has requested a temporary suspension of the listings of its ordinary shares because it has exceeded the UK Listing Authority's 120-day deadline for the release of the results to March 31, 2001.

Merger synergies

Havas Advertising of France has identified merger synergies of £15m once the agreed all-cash £425m bid for media buyer Tempus is completed. The merged group would create one-off savings of €17m and a yearly revenue uplift of €6m. It faces a rival hostile takeover bid from WPP which already owns 22% of Tempus.

Booming Quebecor

The world's largest printing company, Quebecor World of Canada, has announced net income has increased 5% to \$105.7m compared to the same period a year ago. Europe reported positive results with revenues increasing 4% and operating income increasing 18% before the unfavourable effects of currency translations.

AGT saved by rescheduling

Applied Graphics Technologies, the US prepress giant that owns Seven Worldwide, has reached a debt rescheduling deal with its banks, staying off the day when the company must either sell parts of the group or file for Chapter 11.

Its share price in the US has plunged to \$1, giving a market capitalisation of around \$10m.

The deal eases the problems of breaking covenants, but comes at a price. The interest rate it pays on the debt has been increased a little and the arrangement fee was \$2m. Repayment of major loans has been postponed until July next year.

The company says the reason to negotiate with the creditors was simply that the economic downturn has played havoc with forecasts.

Says Joe Vecchiolla, chief operating officer and chief financial officer: "As we have previously disclosed, the weakness in the economy and the softness in the advertising market have

KBA shows its mettle

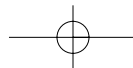
KBA has been promoted in the German stock exchange listings, only two years after its shares were first quoted on the Frankfurt stock exchange.

The company is now part of MDax, a listing of the top 70 second line stocks in the country. Previously the company had been part of MSax, but as a result of a reshuffle the Ergo insurance company has been relegated and KBA steps up.

This comes as the company has announced plans to make more of its shares available on the market by converting preference shares into ordinary shares. This would take place in December.

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Death of Donside as mbo fails
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Business GROW-HOW



From Paul Holohan & the team at
Richmond Capital Partners Limited

INTERNET ABUSE

We have recently installed a new Information System which allows employees to send and receive e-mails internally and externally. This new system also allows them access to the Internet. I am concerned about this – particularly if misused. What is the position?

You are right to be concerned and there are a number of issues that you should consider.

The first thing that employers need to consider is the amount of hours being lost by employees 'surfing' the net personally. If the employee is one of a number operating from a 'server' you can tell which sites have been visited and for how long.

Next the content being viewed by employees could also give cause for concern. Downloading pornography and e-mailing it to friends is surprisingly quite common. Sternly worded warnings have had little effect in some cases and dismissals have resulted.

The content of what is being downloaded can be horrific and can, if sent outside the firm, be intercepted reflecting badly on your company and could even involve you in legal action in extreme cases. Internal communication on the web can also be a problem area and, given the nature of the business environment, can amount to sexual harassment.

It is also worth remembering that the cost in time and effort of employees is difficult to quantify but it is certain to be a topic for research and commentary. It is certainly an increasing problem in the workplace and will be a cause for a growing number of disciplinary actions.

It is crucial that you make your employees aware that all e-mails are company documents under court rules and also that they can be retrieved, contrary to what many employees think, after deletion.

My advice to employers is that they should develop a formal policy on e-mail/Internet protocols and produce a statement which provides clear direction. It should offer direction on standards expected in this area, it should advise that privacy is not an expectation and of the disciplinary measures that will be taken in the event of any breach. It should be circulated to all relevant staff to establish acceptable usage and to protect you from legal action and should be signed by them in acceptance.

But be careful to keep up to date with rules governing acceptable personal use of the Internet and e-mail as it is a developing area and subject to change.

The author accepts no legal responsibility for the advice given. Comments and advice given in this column do not necessarily represent the views of Printing World.

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BusinessADVICE

Loot for sale by Scoot

On-line directory group Scoot is believed to be considering the sale of Loot, its advertising magazine bought for £180m in July 2000 but now believed to be worth only half that amount.

Scoot is looking for funding for its online directory operations with reports that it only has one month's funding left to keep the operation going. The company has admitted it cannot cover the £22m it needs

after August 27.

Sharon Squire, director of corporate communications says: "Loot is a profitable business and that is one of the reasons we bought it. We saw it is part of an integrated model between Scoot and Loot. We are still in the process of review as to the future of Loot."

The publication is presently printed at the News International site for the northern editions, at

Southern Web in Southampton for the southern editions, with a combined weekly print run of 180,000 copies.

Scoot.com last week sold its 50% stake in Scoot Europe to its partner Vivendi Universal for a nominal sum of €1, the equivalent of 62p.

Vivendi, a French media and utilities company, now wholly owns Scoot's operations in France, Belgium and Holland.

Presstek profits plummet due to Lasertel

Presstek has suffered a big drop in profits in the second quarter, despite a 28% increase in sales to \$27.1m. The US company blames the shortfall in profits – down from \$568,000 to just \$105,000 year-on-year – on its Lasertel

subsidiary, which makes semiconductor lasers.

Lasertel made a loss of \$2.8m in the second quarter. The Dimension platesetter has also been selling poorly, winning only 27 orders rather than the anticipated 40.

"Although installations of DI presses and thermal platesetters continue to grow, the slowdown in the economy has resulted in a decreased demand for printed material and plate usage," says president and chief executive Robert

legal notices

Compulsory winding up

The following case is due to be heard at Leeds District Registry, 1 Oxford Row, Leeds LS13 3BG

● **Educational Publishing International Ltd** The Maltings, 59 Lythwood Road, Bayston Hill, Shrewsbury, Shropshire SY3 0NA on August 7 at 10.30am. Petition by Garnett Dickinson Print Ltd

Appointment of liquidators

● **RP Modell Printing Ltd** Previous company name: Southshine Ltd Printing. Liquidator: SM Katz, Fisher Partners, Acre House, 11-15 William Road, London NW1 3ER

● **Paper Junction Ltd** Printer. Liquidator: CA Sefton, Capital Insolvency Services, Regents Park

House, Regent Street, Leeds LS2 7QJ

● **Bubble.inc.com Ltd** Large format colour printer. Liquidator: PJ Bridger, Bridgers, 47 London Street, Reading RG1 4PS

Meetings of creditors

● **Wirral Graphics Ltd** at De Vere Daresbury Park Hotel, Chester Road, Daresbury, Warrington WA4 4BB on August 8 at 11am

● **Media Press Commercial Printers Ltd** at 4 Giles Court, Southampton Street, Reading RG1 2QL on August 1

● **Studio 78 Reprographic Services** at Mat House, 30-40 St Albans Road, Watford, Hertfordshire WD1 1RN on August 7 at 10.30am

● **The Print House Printing Co Ltd** at Langley House, Park Road, East Finchley, London N2 8EX on August 8 at noon.

● **The Finishing House Finishing Co Ltd** at Langley House, Park Road, East Finchley, London N2 8EX on August 8 at 2.30pm

● **Sheldon Community Press Ltd** at Sterling House, 22 St Cuthberts Way, Darlington, County Durham DL1 1GB on August 20 at 10.30am

● **Leeds Photo Litho Ltd** at The Hotel Metropole, King Street, Leeds on August 2

Notices to creditors

● **Quoplan Ltd** (t/a Garlin Press) Creditors to send claims to ET Kerr, Pannell House, 159 Charles Street, Leicester by August 31

Final meetings

● **Century Litho (Horsham) Ltd** at 1 Bridewell Street, Bristol BS1 2AA on August 22 at 11am for members and at 11.30am for creditors

● **The Envelope Factory Ltd** at

