

Jarvis Porter sells bar room division

By Alex Grant

Jarvis Porter last week announced yet another sell-off – its dripmat division this time – and the departure of joint chief executive Alan Mellor.

But the firm is now promising a period of stability, blaming its recent ills on the fallout from its takeover of Wace's corporate packaging division three years ago.

Jarvis Porter's latest disposal is its specialty print division, which makes dripmats and ashtrays at plants in Huddersfield, Chippenham and Belgium, for £3.3m.

The buyer is Quarmby Promotions, a subsidiary of German company Interbrandpro Holdings which is headed by Richard Brew-



Alan Mellor has departed Jarvis Porter

ster, chief executive of Jarvis Porter from 1991-98.

West Yorkshire GPMU branch is meeting with Interbrandpro next week, but staff are believed to have been told that it is business as usual and no major changes are due. The companies will still trade under their current names

of Quarmby, Presidium and Waterlomat respectively.

JP, which made a total loss of £4.2m last year, has shrunk dramatically in the last few months. Its creative packaging factory in Hinckley is being wound down with the loss of 257 jobs.

JP is left only with its self-adhesive labels sites in Leeds, Baulip, France, Houten, Holland, and its healthcare unit at Lewes.

"It is a pity that we have had to close businesses down because of poor management decisions at the time of the Wace deal," says chairman Michael Maher

Jarvis Porter bought Wace's labels and cartons sites in Leeds and Hinckley

Hewlett Packard falls further

Hewlett Packard has suffered a further fall in profits – down 90% in the third quarter from \$1.05bn to \$111m, with some of the worst results in the imaging and printing systems division where inkjet sales are down 31%. Scanner sales are down 3%.

Total sales are down 14% from \$11.8bn to \$10.1bn.

HP directors say that chief executive Carly Fiorina has their "100% support" despite the company's financial troubles and speculation that she was about to quit.

Her reorganisation of HP is putting the imaging and printing systems division in a back part of the business, separate from consumer goods.

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Euro offer by Centurifax

Centurifax, the UK manufacturer of the hand-held digital DotMeter, is offering its dealers the choice of paying in either sterling or in euros from September 1.

Martyn Elmy, international sales director, says: "One of the factors in Centurifax being named BPIF Supplier of the Year was our ability to listen and more importantly, respond, to what our customers want."

"In the last financial year the current euro zone countries accounted for some 30% of our total sales."

"We therefore need to be ready for the big Euro Day on January 1, 2002."

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In brief

- Centurifax makes dealers an offer
- Sterling or euros payment pledge

Deluxe bouyant

US cheque printing company Deluxe Corp says it expects revenues to rise modestly in the second half of the year and confirmed its 2001 earnings forecast. Chairman Lawrence Mosner says the economic slowdown has not had a major impact on Deluxe so far, and it expects revenues to be up modestly in the last six months of the year from the previous year.

Blackstone poser

Antony Rowe, Chippenham, Ashford Colour in Gosport and Bath Press which print for Blackstone Press are waiting for news after Oxford University Press's takeover of the legal publisher. Blackstone, which is surviving as an imprint, is being relocated from London to Oxford within two months and most staff are leaving. OUP's Sarah O'Brien and Catherine Pierce are now in charge of print buying.

More credit for Smurfit

Jefferson Smurfit has extended its credit facility from €600m to €800m with BNP Paribas, Deutsche Bank and JP Morgan. Smurfit finance director Ian Curley was not available to comment on the reasons for the new credit line.

ABC shows sales firm

By Alex Grant

Whatever the advertising slowdown, copy sales do not yet appear to have been hit, according to the latest ABC figures.

Overall circulations for January to June 2001 are up 13% year-on-year, with particular success for Glamour, the new A5 format fashion magazine that has an added advantage of lower

paper bills for its publisher Condé Nast and printer Cooper Clegg.

Glamour has been selling more than 450,000 copies a month and has led to a 12.2% growth in the women's lifestyle market overall.

Emap is now hoping it will reap the same rewards by putting Top Santé, its health title, into a sub-A4 format.

Both Hello and OK! have

seen large growth in circulation because of tie-in deals with the Daily Mail and Daily Express respectively, and Heat has seen circulation growth of 147.5%.

ABCs for UK newspapers, however, showed that broadsheet sales fell by between 1% and 9% in June and July, just as advertising pagination also began to decline.

Macfarlane leaves plastics sector

Macfarlane is quitting the plastics industry following the failure of its bid for BPI earlier this year.

Macfarlane, which has just sold its remaining 11% stake in BPI, is also selling off its plastics division to Tyco Plastics, a US company, for \$70m (£48.7m),

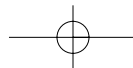
pending approval by shareholders at an egm.

The company says that it needs "scale" to compete with other plastics companies, and in the wake of its failure to buy BPI it decided a sell-off would be best for shareholders.

The plastics division

made a profit of \$6m on turnover of \$61m last year. Macfarlane says its strategy is to become a supplier of packaging as much as a producer, and will only manufacture packaging when this is a "strategic customer requirement".

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Business GROW-HOW



From Paul Holohan & the team at
Richmond Capital Partners Limited

BUYING A BUSINESS - A STEP BY STEP GUIDE

Last week we covered steps 1-3. Now we move further towards a deal.

STEP 4

THE INITIAL REVIEW OF THE BUSINESS

This is useful as it ensures that the businesses listed match your expectations. This saves time and effort and reduces risks. Gain as much information as you can on the targets and list it.

Use:-

- Your own and your advisors industry knowledge
- Information provided by the target
- Independent research
- Trade associations
- Marketing material

Be careful about asking discreet questions of contacts that you may have. A leak will damage your chances, blow your cover and waste effort as well as potentially bringing out rival bidders. You know how rumours spread in this industry!

Then obtain:-

- Price expectation of the current owner and justification for it
- Valuation of the business by your advisors [approximate]
- Details of the day to day involvement of the owner
- Recent developments [new products, staff, investments, customers won/lost]
- Recent management accounts
- Valuation of property, plant, stock

You may not be able to gain all this, but by working closely with your advisor, you will be able to establish whether a deal is possible. Do not waste time building empathy with the owner until you have ensured, via the valuation and its comparison to the asking price, that the target is value for money and that you are not going to overpay. This is the most common error and could harm your chances of financing the deal later on.

However once you have established it is viable you can define the decision-making unit [DMU]. Often it is not as straightforward as it seems with other family members often playing key roles.

The decision-making unit consists of:-

- Decision-maker
- Influencers
- Gate-keeper

Make sure that you understand this concept before reaching Heads of Agreement. More on that next week.

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

DMGT buys Loot from Scoot

Scoot, the online directory service, has been handed a lifeline with the sell-off of its Loot free ads paper to the Daily Mail & General Trust for £45m cash – a deal which has raised question marks over the printing of the paper which could now go from off-set to flexo.

DMGT says that Loot will still be printed offset by Southern Web in Burgess Hill, the Birmingham Post & Mail and News International

in Knowsley, but with Southern Web to be closed by its owner Johnston Press next March, some change is inevitable.

"It's too early to say, but I know DMGT are talking to a range of printers," says a Loot source. One option could be for Loot to be printed flexo alongside the Daily Mail and Evening Standard at Harmsworth Quays, owned by Associated Newspapers, another part of

DMGT.

DMGT has recently invested heavily in an enterprise management system to track its classified advertisers, and Loot, which sells 180,000 copies a week, will provide lots of cross-selling opportunities.

Scoot, meanwhile, has bought itself some time with a £10.5m bridging loan from DMGT, but with annual losses of £2.8m Scoot may put itself up for sale. The

Gretag Imaging shares hit an all-time low

Gretag Imaging, the Swiss photo-processor, inkjet printer and computer-to-plate manufacturer, has made another loss in the first half, amounting to SwFr152m or about £60m.

In April, Gretag Imaging made 340 staff redundant, following annual losses of SwFr46m (£18.6m). The US economic downturn and sat-

uration of analogue machines in photo labs were blamed. Overall, staff numbers are expected to fall from 2,800 to 2,000 during 2001.

Now, US sales are reported to be down 47%, although Europe and Asia are largely unchanged. Gretag shares have fallen by 35% to an all-time low of

Seven sees downturn

Seven Worldwide, the UK arm of Applied Graphic Technologies, has suffered a 5% downturn in sales in the last three months because of lower advertising volumes, its managing director Paul Stonebridge says.

However, this is in sharp contrast to appalling results from its parent company

legal notices

Appointment of liquidators

● Rufus Stone Design & Public Relations Ltd Print and design.

Liquidators: PR Boyle and JC Sallabank, Harrisons, 4 St Giles Court, Southampton Street, Reading, Berkshire RG1 2QL

● Media Press Commercial Printers Ltd Trading name: The Works Printing.

Liquidators: PR Boyle and JC Sallabank, Harrisons, 4 St Giles Court, Southampton Street, Reading, Berkshire RG1 2QL

● Kingswood Print & Display Ltd Design and print.

Liquidators: NR Hood and PM Davis, Begbies Traynor, 1-2 Raymond Buildings, Gray's Inn, London WC1R 5NR

● Independent Travel Publishing

Ltd Trading name: IT News Publisher. Liquidator:

BP Knights, Knights & Co, 15A Nelson Road, Greenwich, London SE10 9JB

● Wirral Graphics Ltd Artwork design. Liquidator:

AH Tomlinson, AH Tomlinson & Co, St John's Court, 72 Gartside Street, Manchester M3 3EL

● The Print House Printing Company Ltd Lithographic printing. Liquidator: A

Simon, Langley & Partners, Langley House, Park Road, London N2 8EX

● The Finishing House Finishing Company Ltd Printer.

Liquidator: A Simon, Langley & Partners, Langley House, Park Road, London N2 8EX

● I Design Agency Ltd

Advertising and brochure design. Liquidator: RG

Butcher, Moore Stephens Booth White, Beaufort House, 94-96 Newhall Street, Birmingham B3 1PB

● Farestate Ltd Printer.

Liquidator: R Valentine, Valentine & Co, 4 Duncastle Court, 14 Arcadia Avenue, London N3 2HS

Meetings of creditors

● Tower Publications (UK) Ltd at Woodhill Road, Portishead, Bristol BS20 on September 11

● P Norris & Co Ltd (t/a Prontaprint) at HLB Kidsons, Friars Courtyard, 30 Princes Street, Ipswich on August 22

● CDA Magazines Ltd at The Conifers, Filton Road, Hambrook, Bristol BS16 1QG on August 23

● Britannia Publishing 2000 Ltd at Stephen Conn & Co, 17 St Ann's Square, Manchester

