

# Stratus shares suspended

By Alex Grant

Shares of Stratus Holdings, the publisher and digital book printer, have been suspended after sales fell "significantly below management's expectations" in the first six months of the year.

Stratus, which publishes Joan Collins and Brian Aldiss as well as classics such as GK Chesterton's books and the Biggles series, is unusual in having its own IBM digital printing facilities in Thirsk for short-run

reprints.

It says it is now exploring "a number of options to introduce new capital into the business," and has suspended its shares so that its "financial situation is clarified".

Managing director David Lane did not return calls to Printing World and no-one else at Stratus could comment further. When shares were suspended on July 13, the price stood at 7p, down from 127.5p after the company floated last year.

Last year, Stratus suffered from prepress problems which left it with only 274 titles available for printing, not 900. The company recorded a net loss of £1.58m in 2000 on sales of just £206,00. In March it said it would raise £2.5m through a new share issue.

At the same time, it has nevertheless been expanding rapidly with the opening of its digital book printing factory in Yorkshire, which last month took on its fifth IBM press, an Infoprint

## Reed riles academic authors

Reed Elsevier's \$4.5bn takeover of Harcourt General may have passed the Competition Commission without any objection, but it has angered the scientists who write for both companies' academic journals.

A group of 25,000 academics have vowed not to write for Reed Elsevier or Harcourt journals, as papers they supplied for free are allegedly being sold back to readers at a "vast profit" for both companies.

Meanwhile, Reed is selling on some of Harcourt's higher education and corporate services businesses to

## Mixed blessing

The FTSE4Good index - described as the definitive ethical index of publicly floated companies in the UK - has been a mixed blessing for the print sector. StoraEnso, De La Rue, St Ives, BPI, Applied Optical Technologies, Communis and Bunzl all feature on the list, but Domino Printing Sciences, Macfarlane and Photobition are omitted.

## Menzies on the move

John Menzies, the magazine and newspaper distributor, plans to make acquisitions in aviation despite a 50% drop in pretax profits to £15.1m. Distribution is proving to be more profitable than retail for the company, however, showing profits of £26.3m on turnover of £866.8m.

## Bleak Future

Future Network, the computer and entertainment publisher, has made a further 140 redundancies on top of 350 job cuts and 20 magazine closures earlier this year. Business 2.0 has also been sold on and Internet investment cut to almost nil, though the firm says that further job cuts are unlikely.

## Predatory pricing

The Daily Mail & General Trust has been fined £1.33m by the Office of Fair Trading for 'predatory pricing', allegedly to put a rival newspaper out of business. The OFT ruled that DMGT has been selling advertising on its Aberdeen Journals free titles at a loss, to put the Aberdeen & District Independent out of business.

## Presstek patent row resolved

Presstek and Heidelberg have settled their long-standing patent dispute - although terms are not being disclosed.

The row was about the ownership of Presstek's DI technology, as used in Heidelberg DI presses, and has now been wound up before it was aired in court.

Neither side will comment on whether any payout has been made, however Heidelberg says that Presstek will still supply technology for Heidelberg presses.

Presstek is about to take Creo to court in a separate patent dispute.

"Heidelberg and Presstek have amicably resolved the issues and newly defined their business relationship," says Heidelberg's head of direct imaging Gotthard Schmid.

"This will have a positive impact on Heidelberg's Quickmaster 46-DI business, to the benefit of customers." About 1,800 of these presses have already been sold around the

# AOL Time Warner in talks to purchase IPC Media

By Alex Grant

AOL Time Warner has finally confirmed speculation that it is in talks about buying IPC Media from its current owner, venture capital company Cinven.

AOL is reported to be prepared to bid between £1.1bn and £1.25bn for the magazine publisher, in what would be the largest ever transatlantic deal of its kind.

Cinven has been known to want to sell the business for some time, having bought it

for £860m in 1998.

AOL Time Warner is just as keen to expand outside the US, although it would need clearance from European authorities. The media giant has pledged that overseas revenues will grow from 20% to 50% of total turnover in the next ten years.

A statement from IPC says only that "there can be no assurance that a transaction will result and the parties do not intend to make any further announce-

ment until the conclusion of these discussions".

● Emap has warned yet again that first-half profits will be hit by its US magazines, which were sold off to Primedia in the autumn. The magazines have been badly hit by a slowdown in ad revenue, and a write-down of \$545m has already been put on Emap's full-year figures.

However, chairman Adam Broadbent told Emap's annual meeting on July 12 that advertising and circu-

## Heidelberg's sales struggle as shares drop

By Alex Grant

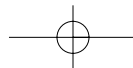
Heidelberg shares have fallen to a 12-month low despite its recent promise to increase sales by up to 80% in the next five years to €8bn.

The fall in the share price to €49.90 makes it less likely that RWE will sell its majority stake soon as the group wants to maximise its

profits. Some German commentators have also expressed concern over Heidelberg's geographical reorganisation, in particular putting Japan in the same marketing area as the rest of the Far East, and combining Africa, the Middle East and Southern Europe together.

● MAN Group, parent com-

pany of MAN Roland, has warned that profits in 2001 could be 10% lower than last year but that there will be a recovery in 2002. Chairman Rudolf Rupprecht says that the main problems were a decline in demand for MAN trucks and industrial kit, but not presses - in April first-quarter results for MAN Roland showed a



## Demand set to rise

By Alex Grant

A new report from British analysts Vantage Strategic Marketing predicts that demand for print will grow annually at 6.7% over the next decade, with the rise for offset only slightly lower at 4.6% a year.

The predications are in sharp contrast to a recent American report, Printing in the Age of the Internet by Frank Romano of the Rochester Institute of Technology, which predicted that printed books, magazines and legal or financial documents all face a big decline in demand.

The report even predicted that the printed newspaper

could be almost unknown in most US cities by 2020.

In contrast, VSM is run by Barry Happé, formerly sales director of Domtar Paper, and Kodak's former head of market analysis Peter Bowden. They have interviewed 1,500 printers and suppliers in the last eight years in researching the report, and say they can be more practical in their forecasts.

Seven years ago, VSM produced a report which concluded that "Printers don't want ctp, they just want to be more competitive". That now seems to have changed, and the fastest growth could be in

## Potter helps push up IG profits

International Greetings is yet another company to cash in on the Harry Potter phenomenon. The card manufacturer, listed on the AIM, has seen profits rise 11% to £10.5m in the year to March 31, and with a new Harry Potter range out shortly the good fortune is expected to continue.

Having acquired US card company Stephen Lawrence from the receiver last year, International Greetings is now looking at buying a European giftwrap maker.

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**In brief**

## Legal notices

### Compulsory winding up

The following case is due to be heard at Norwich Combined Court Centre, The Law Courts, Bishopgate, Norwich, Norfolk NR3 1UR  
**● Paston Prepress Ltd**, (registered office address) Hornbeam Accountants, 1 Wendover Road, Rackheath, Norwich, Norfolk NR13 6LH on July 30 at 2pm. Petition by D Cleeter

### Appointment of liquidators

**● Alfa Publications Ltd** Publisher of journals. Liquidator: GJ Mullarkey, Wallwork & Company, 16 St Thomas's Road, Chorley PR7 1HR  
**● Seeing & Buying Ltd** Magazine publisher. Liquidator: AJ Nichols, Redman Nichols, Maclaren House, Skerne Road, Driffield, East Yorkshire YO25 6PN  
**● Banbury Repro Ltd** Previous company name: **Brightdaze Ltd** Lithographic service. Liquidator: MT Coyne, Poppleton & Appleby, 141 Great Charles Street, Birmingham B3 3LG

**● RB Graphics Ltd** Printing and photographic production. Liquidator: RWJ Long, Richard Long & Co, Castlegate House, 36 Castle Street, Hertford, Hertfordshire SG14 1HH  
**● Aspen Litharne Publishing Ltd** Publishing and advertising agent and Battlerate Nominees Ltd Previous company name: **Blueprint Media Ltd** Publisher. Liquidator: AC Spicer, Smith & Williamson, 1 Riding House Street, London W1A 3AS

### Notices to creditors

**● Paperexchange.com.Ltd** Creditors to send claims to C Laughton, Levy Gee, PO Box 2633, 66 Wigmore Street, London W1A 3RT by September 19

### Meetings of creditors

**● AM PM Printing Ltd** at The Conifers, Filton Road, Hambrook, Bristol BS16 1QG on July 24 at noon  
**● Paper & Board Trading Ltd** at 17 Hart Street, Maidstone, Kent ME16 5RA on July 23 at 11.15am  
**● Quoplan Ltd** (t/a Garlin Press)

at Pannell House, 159 Charles Street, Leicester LE1 1LD on July 20  
**● Kingswood Print & Display Ltd** at 1-2 Raymond Buildings, Gray's Inn, London WC1R 5NR on July 31 at 11am  
**● Colophon Design & Print Ltd** at Acre House, 11-15 William Road, London NW1 3ER on July 20  
**● SMS Press Ltd** at Prospect House, 2 Athenaeum Road, London N20 9YU on July 27 at 10.30am  
**● Paper Junction Ltd** at Regents Park House, Regent Street, Leeds LS2 7QJ on July 24 at 10.30am

### Final meetings

**● Tudor Rose Publishing Ltd** at RSM Robson Rhodes, Colwyn Chambers, 19 York Street M2 3BA on August 7 at 10am for members and at 10.30am for creditors  
**● AR Copiers Ltd** at 22 Ribblesdale Place, Preston on August 7 at 11am for members and at 11.30am for creditors  
**● Newsworld Publishing Ltd** at Poppleton & Appleby, 4 Charterhouse Square, London EC1M 6EN on August 22 at 10am for members and at 10.15am for creditors  
**● Capital Graphics Ltd** at BN Jackson Norton, 4th Floor,

## Business GROW-HOW



From Paul Holohan & the team at Richmond Capital Partners Limited

## HAPPY BIRTHDAY

I am considering the sale of my private business but want to minimise my tax exposure. My accountant say that Taper Relief should drive the timing of the sale. What do you think?

Taper Relief was three years old on April 6th, 2001 so another year kicked in for those assets held prior to April 5th, 1998.

Taper relief was introduced in the Financial Act 1998 and modified two years later. Before taper relief, an allowance was given to eliminate gains due to inflation. Now the allowance given is based on **how long an asset is held**.

Shares held on the 17th March, 1998 (Budget Day) sold today will qualify for 50% taper relief if they have been a business asset throughout.

Delaying the disposal of the business asset until 6th April, 2002 will increase the taper relief to 75% resulting in the much heralded effective tax rate of 10%.

Make sure you understand the rules and the order in which tasks should be carried out.. Ask your accountant to write it down in plain English.

Though the tax issue is important for the reasons highlighted above there are some issues to be remembered. They are:-

- The economic cycle. You could end up with less by delaying.
- Your own health and well-being. Your accountant will only advise on his area. Delaying could be damaging to your health if you are stressed in any way.
- Plan ahead. 'Grooming' the business for disposal some 18 months prior to your planned exit date is well worth considering.
- It always takes longer to sell the business than you think. If you aim to sell after 6th April, 2002, you should be planning the sale now!
- Good marketing of the business to around 4 interested bidders can lead to the consideration being up to 50% more than valuation. This is equally important to the tax avoidance issue and should have been highlighted by your accountant.

Take advice on the whole issue and don't let the tax tail wag the dog!

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.

BUSINESSADVICE

