

## Wide format growth

Wide format printer sales grew by 50% in 2000 and should rise threefold between now and 2005, research by IT Strategies shows. Twenty-four inch machines from the likes of HP and Epson, which already have market share of 72%, should enjoy particular growth in mainstream sales, leaving niche markets to other players who will continue to make inroads into screenprinting's share of the market.

## HP joins PWC for IT

Hewlett Packard, which last year failed in its attempt to take over PriceWaterhouseCoopers' consulting arm, is joining forces with PWC to offer IT products and services to the aviation industry. IT for aviation is traditionally dominated by IBM, which HP hopes to challenge with new ideas, such as allowing customers to check-in using handheld computers without the need for a printed ticket or boarding pass.

## Price is not right

The *Daily Mail* and GeneralTrust has abandoned plans to sell off its business magazines and conference arm, DMG Business Media, reportedly because of difficulty in finding buyers willing to pay the price tag of £60m-£80m.

## French float

Outdoor advertising group JC Decaux could be about to float on the French stock exchange this summer, following an aborted flotation last year. The company is said to be planning to sell 15% to 20% of its shares for €1bn.

# Hand is out of Emap following US fall

By Alex Grant

Emap has ousted its chief executive Kevin Hand after making a £545m write-down from its foray into American publishing, and suffering a fall in advertising revenues.

Preliminary results for the year to March 31 show a net loss of £527m, even worse than expected, because of the US losses and its investment in digital operations, against a profit of £157m last year.

In the US, magazine sales were down 7% and profits down 25%, mainly because of a decline in automotive advertising. The American titles will be sold for far less than they were bought for in the first place.

But it is a very different story on this side of the Atlantic. Emap UK saw sales climb 10% and profits up 12%, with similar performance at Emap France. Circulation rose 1% in the

second half of 2000, even though overall magazine circulation fell by 5%. And while the outlook for US ad revenues is described as "weak", copy sales in the UK are "strong" and advertising is "improving", Emap says.

Robin Miller, who was chief executive from 1985 until Mr Hand succeeded him in 1998 and is now chairman, has returned to his old job, succeeded as chairman by Adam Broadbent.

Emap says that Mr Miller

will serve as chief executive for at least two years, giving some badly-needed stability to a company that has turned from the success story to the sick man of British magazine publishing in just two years. Tom Moloney, head of US operations, has been promoted to be global chief operating officer.

Mr Broadbent says the last two years have been a "very difficult" period, though Emap denies Mr Hand was fired, saying he has left

by mutual consent.

Emap has yet to announce the buyer of its American titles, including Hot Rod, Max Speed, Guns 'n' Ammo and Teen, which it acquired from Petersen in 1999 for £720m.

The magazines are now expected to fetch about £500m, or possibly even less. Three potential buyers are interested but they have yet to agree a price with Emap. Emap will continue to publish US editions of its best-selling maga-

## UK revenues rising for time being

The poor results from Emap has one silver lining: in the fact that UK advertising revenues are still rising. But this could be about to change, according to new research. ACNielsen MMS, the media monitoring company, reports that spending

fell by 0.4% in the first four months of 2001, with big multinationals like Procter and Gamble, BT and Sky cutting their spending by 3%, 32% and 29% respectively.

However, Government advertising spending has more than doubled in the last

year. And advertisers seem to be turning to print as a cheaper alternative to television advertising. Press advertising rose by nearly 4% and outdoor by 22% between January and April, bucking the overall trend.

**In brief**

## Print contracts review follows sale of magazines

ET Heron and Quebecor's contracts to print Viz, Bizarre and Fortean Times are up for review since the titles were bought from John Brown Publishing by the unrelated James Brown, ex-editor of Loaded.

Mr Brown's company, I Feel Good, has bought the titles, which made profits of £900,000 last year, for £6.4m from John Brown Publishing, which wants to concentrate on contract magazines for corporate customers. IFG, which already publishes movie magazine Hotdog and the official Leeds United monthly, made an operating

loss of £1.7m in 2000 on sales of £703,000, but is backed by Felix Dennis who sits as its chairman.

Viz, which in its heyday ten years ago sold a million copies an issue, now sells only 200,000 every two months. IFG plans to take the title from six issues a year to ten in a bid to bring sales back up.

Viz is now printed in full colour by Quebecor in Corby, with the other two titles produced at Heron's in Maldon, Essex.

An IFG spokesman said that the printing of all three titles was under review, and that they could be moved elsewhere. "It's too

## KBA profits up but sales are down

KBA has increased its first quarter profits by 20% to €9.3m, despite a 7.5% fall in total sales – and a 35% drop for web presses.

For the first time ever, KBA sold more sheetfed presses than web presses in the first three months of 2001. Sheetfed sales rose 27.7% to €135.4m year-on-year.

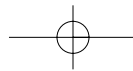
However, KBA's huge order for five flexo presses at Harmsworth Quays, Associated Newspapers' print site in London, means that order intake has jumped 53.5% to just under €400m, two-thirds of it

web presses.

Three other big sales to newspapers in Scandinavia and the Far East have been postponed because of delays to building works. The installations, originally due in the first quarter, are now expected in the third.

This helps to explain the poor sales performance in the last three months, and boosts confidence that KBA's long-term prospects are bright.

KBA is also pleased that its recent purchase of De la Rue Giori (Printing World, last week) strengthens its position in the security and



## Business GROW-HOW



From Paul Holohan & the team at  
Richmond Capital Partners Limited

### HEALTH OF THE WORKFORCE

One of my rivals has just been fined – and quite heavily – for a health and safety issue infringement. How can I be sure that this won't happen to my printing business?

Health & Safety is seen by an unscrupulous few as a necessary evil. Yet creating a safe, healthy environment for you and your employees is really a matter of common sense and, perhaps surprisingly, can be good for the bottom line too!

You will find that staff morale will rise, leading to increased productivity and reduced staff turnover, less sick days, less likelihood of health compensation claims and a better motivated workforce. It is a good starting point as a part of a 'culture change', as it builds trust.

The Health & Safety at Work Act 1974 covers all work premises and every worker. It puts the onus firmly on the employer.

The Health & Safety Executive (HSE) gives advice on workplace problems and is actually there to help – punishment is its last resort and it would therefore appear that your rival was unresponsive to the HSE's recommendations. Your local Chamber of Commerce or the BPIF have advisors who are willing to help at reasonable cost.

Inspectors have the power to inspect without warning so it pays to be ahead of the game. Start by conducting a risk assessment and writing a Health & Safety Policy (a legal requirement if you employ five or more people). Then ensure that your Employers Liability Insurance Certificate is on display and that all accidents or near misses are reported to your local inspector using form F2508. Next ensure that you are registered by contacting your local HSE office – it is an offence not to be registered.

Finally ensure that you communicate with all employees about Health & Safety law. The easiest way to do this is by displaying the poster, "Health & Safety Law; what you should know". This can be purchased from HMSO.

One thing worth remembering is that when conducting due diligence in the area of mergers and acquisitions (M&A) one should check health and safety issues. From personal experience I know that one unscrupulous firm was almost closed down because of an array of incidents – and all at the same time as trying to sell the business!

Why not have a 'Health Check'? BPIF offers an excellent service to members and non-members. The HSE Info Line is on 08701 545500.

Be careful out there!

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

# Yell finds a buyer to publish Yellow Pages

By Alex Grant

Yell, the BT subsidiary that publishes Yellow Pages, has finally been sold to a venture capital consortium for £2.14bn, considerably less than BT had been hoping for.

The directories business has been bought by Apax Partners and Hicks Muse Tate & Furst, with the management taking a rumoured 10% stake. Proceeds will be put towards filling BT's £28bn black hole of debts.

The price is well below the £2.75bn that BT had been expecting, in part

because of a recent Office of Fair Trading ruling which effectively means that advertising rates must be cut by about 4% a year for the next five years (Printing World, May 21). Currently, advertising rates are frozen.

BT's proceeds from the sale have been further reduced by the fact that it has to pay managers of Yell's US arm, Yellow Book, £40m in bonus payments for contractual reasons.

In the UK, all 28.5 million Yellow Pages directories a

year are printed by RR Donnelley, which has just opened a superplant at Flaxby, near Harrogate. New MAN Roland Uniset presses which will shortly be able to print colour throughout each directory for the first time, pending the outcome of press trials.

RR Donnelley sources say that the freeze in advertising rates could lead to longer pagination and more colour, not less, although City analysts say the OFT ruling will reduce Yell's annual sales of £500m by 4%.

## Profits up for Independent

Independent News and Media, publisher of the Independent newspaper titles, increased its profits by 13% in 2000, and grew sales by 15% to reach €1.34bn despite economic uncertainty and an increase

in newsprint prices.

Sales in the UK have grown 38.5%, and a loss of £5.1m in 1999 became a profit of £12.4m, thanks to IN&M's acquisition of the Belfast Telegraph from the Mirror Group.

In Ireland, sales are up 8% and profits have grown 10% despite the costs of building its new print plant at CityWest, near Dublin, which it argues is the most modern in the world and can offer unlimited colour. The

### legal notices

#### Appointment of liquidators

● **Rosyform Ltd** Trading name: **Garian Print** Printing.

Liquidators: MJ Moore and NA Brackenbury, Kröll Buchler Phillips, 5th Floor, Airedale House, 77 Albion Street, Leeds LS1 5AP

● **System Colourbox Ltd**

Previous company name: **Hurstdet Ltd** and **System Colour Ltd** Reprographics, photography and design. Liquidator: GP Petersen, Benedict Mackenzie, 5-6 The Courtyard, East Park, Crawley, West Sussex RH10 6AG

● **David Burn Ltd** Printing.

Liquidator: IW Kings, 19 Borough Road, Sunderland SR1

● **Tartan Press Ltd** Printing.

Liquidator: IN Millington, 75 Kingswaqy, Rochdale OL16 5HN

● **Living Colour Ltd** Print

farmer. Liquidators: B Hoffman and I Yerrill, Gerald Edelman, 25 Harley Street, London W1G 9BR

#### Appointment of receivers

● **Elf Print Media Ltd** Previous company name: Triangle Press Ltd General printers. Receivers: TCH Ball and AS Wood, Mazars Neville Russell, Clifton Down House, Beaufort Buildings, Clifton, Bristol BS8 4AN

#### Meetings of creditors

● **Northants Press Agency Ltd** at

26 Priestgate, Cambridgeshire PE1 1WG on June 5 at 2pm

● **Eros Paper Company Ltd** at Langley House, Park Road, East Finchley, London N2 8EX on June 1

● **Corridor Publications Ltd** at Royal Victoria House, 51-55 The Pantiles, Tunbridge Wells, Kent TN2 5TD on June 5 at noon

● **Simba Print Ltd** at HLB Kidsons, Barclays House, 41 Park Cross Street, Leeds LS1 2QH on May 31

#### Notices to creditors

● **Bentley Photo-Litho Ltd** Creditors to send claims to JRD Smith, Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR

