

Printpotato.com sales mashed

By Alex Grant

Printpotato.com, the office products dotcom, is the latest to fall victim to the sector slowdown. Its managing and technical directors have departed and it is warning that low sales have put its long-term future in doubt. Merger with, or acquisition of, another dotcom is likely within the next two months.

Printpotato, which sells printed goods such as coasters, bags and stationery online, was founded by Thomas Potts' chairman Stephen Hargrave and floated on the AIM last year. The site became fully oper-

ational last November. But sales in the six months to September 2000 reached just £25,000, and they have been "low" ever since, admits Mr Hargrave. The share price initially shot up from 3p at flotation to reach 13p but it now stands at just 1.25p.

"We're pleased with the site, but not the level of traffic," says Mr Hargrave. "We can now either spend the remaining money we have on advertising or an acquisition." Choosing the latter option, Printpotato has already parted company with managing director Peter Henry, tech-

nical director Charles Bradshaw-Smith and other staff, and cancelled all its sales and marketing spending.

The dotcom is now being run by Mr Hargrave's brother Paul and Jerry Reid, who have both taken a salary cut. Another printing dotcom could be acquired or merged with Printpotato in a matter of weeks. In the meantime, Printpotato will still continue to license its software to third parties including mailing houses and printers.

Of the £3m raised by Printpotato's IPO in February 2000, more than £2.1m

Heidelberg on the level

Heidelberg has suffered a profits standstill thanks to the US economic slowdown.

The world's number one press supplier made €3.02m in operating profit in the nine months to December 31, 2000, exactly the same level as the year before.

The company's profit margin actually fell from 5.2% to 4.7% from the third quarter of 1999 to 2000.

Although overall sales grew, particularly for digital presses which are 25.1% up, and web presses which grew by 26.2% year-on-year, incoming orders have fallen in the last three months of 2000, especially in the US and Europe, where despite the post-Drupa effect, quarterly sales have fallen by 4.8% from €1.4bn to €1.333bn.

However, Heidelberg still expects profits for 2000-2001 as a whole, due to be released in three months, to

Heidelberg's orders upturn



Heidelberg's overall sales grew in 2000, but operating profit remained the same

be 10% higher than the €4.6bn made last year. The company is about to sell its 2,000th Digimaster and its 11th Mainstream newspaper press is about to go in at El Universal in Mexico. It has also reaffirmed its wish to increase the proportion of "free-floating" shares

from 16% to 30% this year, which would bring Heidelberg into the prestigious Dax-30 group of companies.

Although Heidelberg is one of the largest companies in Germany with a value of some €5.8bn, it currently does not qualify

RIM 'to be floated'

Regional Independent Media has now firmly decided on a flotation rather than a trade sale, according to press reports. But no float is likely before 2002.

Lucky De La Rue

De La Rue has struck lucky since Camelot had its franchise to run the National Lottery renewed. The banknote and security systems group owns 26% of the lottery operator, and Camelot's success is thanked for a 33% rise in De La Rue's share price from below 350p to 431p over the last three months. Since last February, the share price has risen 91%.

Emap gives up

Emap is considering throwing in the towel on Petersen, the US publisher it bought in December 1998, after its poor performance. The patience of Emap chief executive Kevin Hand is said to be wearing thin. One potential buyer, *Printing World* publisher United Business Media International, has just decided to buy back nearly a third of its shares for \$1.25bn, so is unlikely to be in the running to buy Petersen, although it still has another \$1.5bn for acquisitions.

Product price rise

Printers have seen prices they can get for their products rise slightly in the last few months, according to Office of National Statistics figures.

The price index for manufactured goods rose from 109.5 to 110.4 in the print sector between September 2000 and January 2001, although the year-on-year rise in prices has slowed from 1.9% in December to 1.3% last month. Overall, prices for all manufactured goods are falling faster than at any time in the last 14 years.

The Paper price index has also risen, from 99.7 in September 2000 to 100.1 in January, clocking up 4.1% growth year-on-year.

NUR record profits

NUR Macroprinters has made record profits of \$6.1m in the three months to December 31, its 15th consecutive quarter of growing profits.

The quarterly profit was 144% higher than the \$2.5m the Israeli manufacturer made in the last three months of 1999. Sales also rose 93%, from \$20.6m to \$39.7m. For 2000 as a whole, sales reached \$121.9m, a 101% increase on the \$60.7m in sales that NUR made in 1999.

The growth was partly due to the company's acquisition of Salsa Digital last year, but also down to new launches such as the Fresco and Blueboard HiQ+.

In the third quarter of 2000, NUR made a loss of \$1.24m because of one-off costs of \$3m associated with the Salsa acquisition, but the costs have now worked their way through.

NUR expects 2001 sales to reach at least \$170m, and hopes for profit margins of between 10%-11%, slightly lower than at pre-



Business GROW-HOW



From Paul Holohan & the team at
Richmond Capital Partners Limited

TAPER RELIEF

My accountant has told me about Taper Relief but, to be honest, I still don't understand it. Can you help?

As part of last year's budget the Chancellor made two significant changes to Capital Gains Tax (CGT) legislation affecting taper relief.

The first of these has widened the net of those entitled to claim the beneficial rate of business taper relief.

The second, and perhaps most pertinent, is that the Chancellor has accelerated the rate at which maximum taper relief benefit is given. The previous qualification period of 10 years has now been significantly reduced to just four.

What this means for you is that the disposal of a business held on 5th April 1998 can be made as soon as 6th April 2000 and benefit from maximum 75% taper.

The key changes for business assets are:-

- Maximum 75% taper after four years
- All shareholdings in unquoted trading companies (including those on AIM) now qualify
- All employee shareholdings in quoted trading companies now qualify
- All 5%+ shareholdings in quoted trading companies now qualify

You don't give your age but you should also consider the following issues:-

- How retirement relief (available to the over 50's on business asset disposals) interacts with taper relief. Now could be a good time to plan the sale of your business.
- How shares which only qualify as business assets from 6th April 2000 (resulting from the change in definition) will be treated on disposal.
- Whether a pre-sale dividend may still be an effective planning strategy prior to a company sale.

The revised legislation has literally opened up a new world of new business investment opportunity for you by potentially reducing CGT on existing and new businesses to an all time low of just 10%, when owned for a qualifying period of 4 years. This rate is now available where the asset has always been a qualifying business asset and has been held for a period of two years from 5th April 1998 onwards.

If you are looking to kick-start a new business venture and maximise gain from your investment, you should start by laying the foundations now.

The tax opportunities for today's entrepreneurs have never looked better. However, you must establish whether your company will qualify for business taper relief. The definitions of what does and what does not constitute a business asset are not absolutely clear in the legislation. Ask your accountant to confirm this on your behalf.

There has never been a better time to realise your investment or to launch a new venture. If you are still uncertain speak to a specialist advisor to help you through the process.

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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MERGERS • ACQUISITIONS • DISPOSALS • JOINT VENTURES

Chemical crisis

A profits fall at adhesive manufacturer National Starch & Chemical – the first for 30 years – has hit parent company ICI. High material profits and slacker demand in the US have meant a 29% fall in fourth-quarter profits at NS&C, from £72m to £57m. ICI shares fell by 6% at the news, despite a 19% rise in profits to £450m for the chemicals giant as a whole.

NS&C's sales are up 2% in 2000 as a whole, but 6% down in the fourth quarter, partly because of a "Y2K influenced" end of 1999, in which customers stockpiled supplies.

In the adhesives division, "trading profit was well below the strong fourth quarter of 1999 on lower sales, particularly in North America and Europe," the company says. National

Littlewoods lets JCM go

Littlewoods has confirmed it is selling off JCM Media, the Liverpool direct mail and coupon printer formerly called J&C Moores, after a "strategic review" announced last month.

"We are in talks with a number of potential bidders," says a Littlewoods spokeswoman. "At the moment, we are covered by a confidentiality agree-

legal notices

Compulsory winding up

The following cases are due to be heard at the Royal Courts of Justice, Strand, London WC2A 2LL

● **Moors Greetings Cards**

67 Mount Street, Walsall, West Midlands on February 21 at 10.30am. Petition by Customs & Excise

● **Incline Printing Co Ltd**

Amberhill House, Amberhill, Boston, Lincolnshire PE20 3RQ on February 21 at 10.30am. Petition by Inland Revenue

● **Tower House Graphics Print & Design Ltd** Mountview Court, 1148 High Road, London N20 0RA on March 7 at 10.30am. Petition by Customs & Excise

The following case is due to be heard at Queen Elizabeth II Law Courts, Derby Square, Liverpool

● **New Leaf Print Services Ltd** Unit 211 Jubilee Trade Centre,

130 Pershore Street, Birmingham, West Midlands on February 12. Petition by Customs & Excise

Appointment of liquidators

● **Bargains Direct Ltd** Direct book sales. Liquidator: JE Avery-Gee, Kay Johnson Gee, Griffin Court, 201 Chapel Street, Salford, Manchester M3 5EQ

● **Quadstream Ltd** Promotional printers. Liquidators: GE Blackburn and PA

Whitwam, Begbies Traynor, 30 Park Cross Street, Leeds LS1 2QH

● **Papierie Ltd** Previous company names: **Unicost Ltd** and **Ethos Ltd** Supplier of paper products. Liquidator: D Wald, 18 Sapcote Trading Centre, Dudden Hill Lane, London NW10 2DH

● **Kopyrite Ltd** Previous company name: **Guildskill Ltd** Paper, printing and publishing. Liquidator: JJ Schapira, Leonard Curtis, 1 Great Cumberland Place, London W1H 7LW

● **Colour Generation Ltd** Manufacture and sale of greetings cards and giftware. Liquidator: RS Gilderthorp, Gilderthorp & Partners, 7A Salisbury Street, Fordingbridge, Hampshire SP6 1AB

● **Datanet Marketing Services Ltd** Previous company name: **Rugby Magazines Ltd** Database services. Liquidator: ID Williams, Benedict Mackenzie, 62 Wilson Street, London EC2A 2BU

● **The Wet Proofing Co Ltd** Paper, printing and publishing. Liquidator: KD Goodman, Leonard Curtis, 1 Great Cumberland Place, London W1H 7LW

● **Cowley Hunter Ltd** Publisher. Liquidator: CA Prescott, Moore Stephens Corporate Recovery, 1-2 Little King Street, Bristol BS1 4HW

● **Outline Advertising Centre Ltd** Graphic designer and printer. Liquidator: IS

Burt, Gancy Burt, Hadfield House, Hadfield Street, Northwich, Cheshire CW9 5LU

Appointment of receivers

● **Oliver Books Ltd** Publication of books and calendars. Receivers: PS Dunn and SR Thomas, Horwath Clark Whitehill & Co, Sherlock House, 7 Kenrick Place, London W1U 6HE

Meetings of creditors

● **Trans-Atlantic Publishing Ltd** at 60-62 London Road, Kingston-upon-Thames, Surrey KT2 6QZ on February 14

● **Regent Graphics Ltd** at 1 Great Cumberland Place, London W1H 7LW on February 12

● **Broadgate Print Group Ltd** (formerly **Cape Hill Press Ltd**) at Coventry City Football Club, Highfield Road Stadium, King Richard Street, Coventry on February 23 at 11am

● **IT Publishing (UK) Ltd** at RSM Robson Rhodes, Centre City Tower, 7 Hill Street, Birmingham B5 4UU on February 20 at 10am for creditors and at noon for shareholders

Final meetings

● **Trio Print UK Ltd** at 30 Reading Road South, Fleet GU52 7QL on March 30 at

