

HP source of earnings hit by economic fall

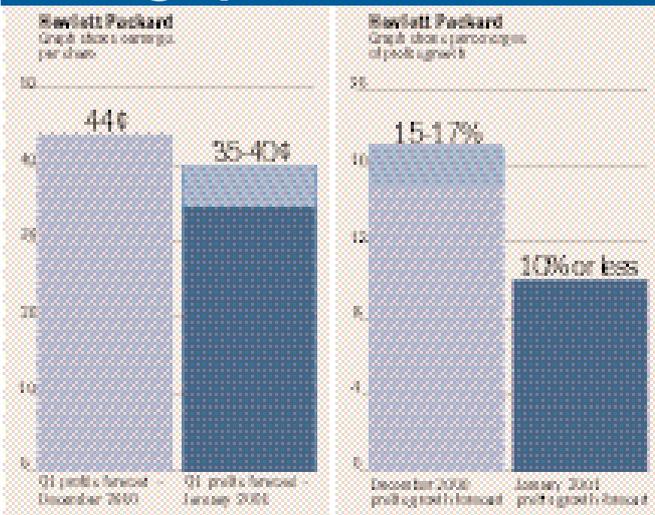
By Alex Grant

US printer manufacturer Hewlett Packard has warned first quarter earnings will be even lower than previous expectations because of "worsening economic conditions and a deceleration in corporate and consumer IT spending" in the last few weeks of 2000.

At the same time, HP's imaging and printing systems president Carolyn Tricknor has retired aged 53 after only 18 months in the job, to be replaced by Vyomesh Joshi, an inkjet specialist at HP since 1980.

The decline in sales was equally sudden and unexpected. "December was like someone turned the lights out," said chairman and chief executive Carly Fiorina in a conference call with

Lowering expectations



Hewlett Packard has cut its 'conservative' profits forecast still further analysts.

Sales of high-end printers are not thought to have declined as much as desktop models, though HP is not

releasing detailed figures on UK sales or making any further comment.

Profits for the three months to January, which

will be released on February 15, had been confidently expected to reach 44c a share, but are now expected to be between 35c and 40c. HP is also warning that it now expects growth to be single digit, not 15%-17% as predicted only last month. The slowdown in growth is expected to last until at least May, when HP's interims will be due.

HP's problems date back to November, when lower than expected fourth quarter profits precipitated a 13% fall in its share price.

The latest warning has caused shares to fall from \$34 to \$30.93. Shares stood at \$48 as recently as last October.

Meanwhile, Ms Fiorina has just joined the board of Cisco Systems, the Internet

Clinton clincher

The Christmas card is one form of print that faces little threat from cyberspace, as Clinton Cards' latest results have shown. The card retailer says it saw sales rise by 3.5% in 2000, and by 6% in the month of December alone.

Miles better

Miles 33, the supplier of publishing software systems, has seen pretax profits in the year to September 30 2000 rise 25% to £1.965m, even though sales had fallen by 7% because of a rush of hardware sales in 1999.

Gretag warning

Gretag Imaging has suffered a 13% fall in its share price and warned of possible "consolidation" because of concern about warranty costs. The problems stem from guarantees covering Gretag's APS film processing systems, which have been found faulty. As a result, profits of below Sfr45m are expected this year, compared to Sfr96.4m in 1999.

Printware problems

Printware, the troubled US ctp supplier, has appointed Stanley Goldberg as its new president and chief executive officer to take over from Dan Baker. Co-founder Thomas Petschauer is also quitting the company on January 30, following other board members. Printware saw a fall in sales and a loss of \$70,000 in the third quarter last year.

Domino effect as inkjet moves to UK

Domino Printing Sciences, the Cambridge inkjet supplier, has seen a 20% increase in annual profits to £18.1m and is moving all inkjet manufacturing from Chicago to the UK by May. "It makes sense to concentrate production in Cambridge as it gives economy of scale, and all our research and development staff are on hand," says managing director Nigel Bond.

About 40 jobs will move back to Cambridge as a result, though fluid production will stay in Chicago and Liverpool. The increased profits were largely thanks to new products like the Bitjet 212 which has won a number of big orders includ-

ing an eight-printer unit from Polestar Jowetts.

Domino has also launched new laser printheads and the G7000, an outer case coding product. "We're very pleased with sales of the Bitjet," says Mr Bond, whose priority for 2001 will be more Oem deals.

Sales were up 12% to £133.9m, and were particularly strong in Asia with 35% sales growth in China. China is now second only to the US, where sales growth was lower at 9%, for Domino installations.

Domino's share price, which suffered heavily from the high tech fallout last year, rose 5p to 231.2p at the news. Profits are now expected to pass the £20m

Profitable Filofax for sale to ease Day Runner finance

Filofax is up for sale for the second time in two years as paper organisers are squeezed by electronic competitors.

Filofax's parent company, Day Runner, bought the brand in 1998 and shed 130 jobs a year ago when it closed two factories in Sussex and outsourced much of its production overseas, although most insert pages are still printed in the UK.

Day Runner is known to be in financial difficulties, its share price having plummeted from \$14.68 to just 28c in less than a year, and has put Filofax and other assets up for sale. Two buyers, one British and one American, are competing for the company.

"Day Runner borrowed money to buy Filofax and is



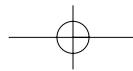
Filofax is a profitable business

under pressure from the banks to pay them back," says Filofax financial director Michael Ball.

"Filofax is still a profitable business so it's their difficulties, not ours."

Although widely seen as an American invention of the 1980s, the Filofax name was first registered by a British company, Norman & Hill, in 1930.

However, it did not become a bestselling product until 50 years later.



Business GROW-HOW



From Paul Holohan & the team at
Richmond Capital Partners Limited

USING A CONSULTANT

As Chief Executive of a progressive printing company, I am ambitious for growth. I have a good team but yet seem unable to finalise a clear strategy for the future. I am inclined to bring in a specialist consultant but don't want to give the team the impression that I don't have confidence in them. I would appreciate any advice you may have.

From time to time every business needs some advice and support for its decision makers and to add a wider perspective. The key to involving a consultant is in ascertaining which skills you need and why. The first essential is to establish your present situation in a group session. This is best carried out with the help of a facilitator who will assist you to evaluate the key issues.

There are then several options:-

- Independent consultant/advisor
- Business advice e.g. Business Link
- Interim management

In your case you are looking for strategic advice so bear in mind that it is vital to choose an advisor with a strategic focus — not all advisors have this skill.

If you decide to use a consultant/business advisor, select against the following criteria:-

- Is the person qualified and experienced?
- Are references available?
- Are they accredited by a relevant body?
- Do they hold professional qualifications? Preferably supported by Continual Professional Development (CPD)
- Do they have experience and a successful track record in the printing industry at a high level?

Remember that you will have to implement some of the advice given so be prepared to do this.

Using a good business advisor can have a number of benefits:-

- An outsider can often see things more clearly than the management team who may be too close to the issues
- They can facilitate a review of activities in a discreet and helpful way and help to plan the way forward.
- They can 'turbo charge' actions to stimulate resolution of difficult issues and can 'take the blame' for any unpopular changes.
- They can monitor progress against an agreed Action Plan.

There are risks of course. But doing nothing is not without risk either!

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.

Tel: 0207 636 5491

Facsimile: 0207 436 8954

Email: info@richmondcapitalpartners.com

Web: www.richmondcapitalpartners.com

Top of Thomas Potts

By Alex Grant

Thomas Potts' new group managing director Alan Barnett has arrived from Prontaprint with a clear incentive to keep the company growing: warrants to buy 5 million shares at 7.5p each, 2.5 million of them now and the other 2.5 million two years from now.

Thomas Potts is the parent company of Premier Metropolis in London Docklands, Serigraphic in Harlow, G&E 2000 in

Peterborough, print farmer Eurographics and Press4print.com, a document management dotcom. It floated on the Alternative Investment Market last year and Mr Barnett says he could take it from £20m to £100m turnover in just two years.

Aged 38, Mr Barnett used to be the managing director of Prontaprint. He succeeds John Turner who is retiring next month.

His appointment follows

the resignation of chief executive Paul Smith after only a few months in post and the arrival of Mark Scallion, also ex-Adare, as group commercial director. "We've recruited an experienced but youthful hands-on manager whose role will be to maximise the return from future acquisitions and the existing Thomas Potts operations," says chairman Stephen Hargrave.

Mr Turner will be staying

Legal notices

Compulsory winding up

The following cases are due to be heard at Leeds District Registry:

- **Macmedia (UK) Ltd** 109-115 Blackfriars Road, London SE1 8HW on February 6 at 10.30am. Petition by Bousfield Heaton
- **HM Publishers Ltd** 342 Regents Park Road, Finchley, London N3 2LJ on February 6 at 10.30am. Petition by Mouse Manoeuvres Ltd

Appointment of liquidators

- **Fleet Finishers Ltd** Printer. Liquidator: SR Cork, Smith & Williamson, 1 Riding House Street, London W1A 3AS
- **WH Print Services Ltd** Printers. Liquidator: C Everitt, Shaw & Co, 195 Banbury Road, Oxford OX2 7AR
- **William Barlow & Son Ltd** Printer, stationery and office equipment supplier. Liquidators: JP McLean, Grant Thornton, Higham House, Higham Place, Newcastle upon Tyne NE1 8EE and RS Harding, Grant Thornton, 30 Hounds Gate, Nottingham NG1 7DH
- **Thames Offset Printing Ltd** Trading name: Stallards Litho printing. Liquidators: L Gibson and RD Hewitt,

Gibson Hewitt, 5 Park Court, Pyrford Road, West Byfleet, Surrey KT14 6SD

- **TJF Garment Printing Ltd** Trading name: The Jam Factory Tee-shirt printing.

Liquidator: P O'Hara, O'Hara & Co, Wesley House, Chapel Lane, Huddersfield, Birstall, Batley WF17 9EJ

- **Book Box Distribution Ltd** Wholesale book seller.

Liquidators: PJ Windatt and IQ Taylor, Smith Dove, Glenroyd House, 96-98 St James Road, Northampton NN5 5LG

- **Berkoff Associates Ltd** Graphic design. Liquidator: A Simon, Langley & Partners, Langley House, Park Road, London N2 8EX

Meetings of creditors

- **The Business Community Press Ltd** at Langley House, Park Road, East Finchley, London N2 8EX on January 23 at noon
- **Reliance Book Binding Co Ltd** at Mercer & Hole, 72 London Road, St Albans, Hertfordshire AL1 1NS on January 22 at 10.30am
- **PBQ Design & Print Ltd** at First Floor, 62 High Street, Hanham, Bristol BS15 3DR on January 25 at 11am
- **Fine Stationery Ltd** at 37 Stanmore Hill, Stanmore, Middlesex HA7 3DS on January 30 at 11.30am

- **Perfect Image Printers Ltd** at BN Jackson Norton, 1 Grays Inn Square, Grays Inn, London WC1R 5AA on January 19

- **KDO International Ltd** and **KDO Label Printing Machines Ltd** at the Chamber of Commerce, Highfield Road, Edgbaston, Birmingham B15 on January 17

- **Lentune Books Ltd** (t/a Kings of Lymington) at the Lyndhurst Park Hotel, High Street, Lyndhurst, Hampshire on February 8 at 3.15pm

Notices to creditors

- **TSB Printing & Design Services Ltd** at Plumtree Court, London EC4A 4HT on February 9 at 10.30am
- **Colchester Plan Print Ltd** at 381-383 City Road, London EC1V 1NW on February 21 at 11.30am
- **Macstat Ltd** (t/a Marshalls Stationers) Creditors to send claims to DR Beat of Morison Tenon, Moriston House, 75 Springfield Road, Chelmsford, Essex CM 2 6JB by March 6
- **Future Media (Europe) Ltd** Creditors to send claims to EC Wetton, 12 Victoria Road, Barnsley, South Yorkshire S70 2BB by February 14

Final meetings

- **DPU Press Ltd** at Parkin S Booth & Co, 148 High Road,

Business Advice