

Paper ads may fall

Advertising income may have begun to fall but many of the world's newspapers will start losing this income from a position of unparalleled strength, according to new figures from the World Association of Newspapers.

The WAN annual survey shows that newspaper sales rose by 20.2% in India and 12.7% in China in 2000. Of 30 countries surveyed, 23 had seen newspaper ad revenues grow last year. However the latest US figures for ad spending look gloomy. Spending by the food sector is down 20%,

VNU bid denied

Hearst, parent company of National Magazines, the publisher of Esquire and Harper's & Queen, has denied press reports that it is bidding for consumer magazines of Dutch company VNU, including Computer Weekly, IT



Hearst not interested in VNU titles

Week and a number of UK puzzle titles.

VNU has put the titles up for sale to concentrate on market research and new media, and a number of publishers, including Bertelsmann, are known to be interested. "Despite the fact that Hearst publishes many titles in eastern Europe in partnership with VNU, we don't have any interest in buying it," says Hearst Magazines international division president George Green.

"We're not authorised to bid now anyway, as we did

Pindar adds more of Alphagraphics

By Gareth Ward

Pindar has increased its stake in franchise print operation Alphagraphics by buying out the private investor who held around a third of the shares.

After adding this 33% stake to the 37% it already holds, Pindar emerges with the vast majority of the shares in the 350 outlet corporate print chain.

Most of the operations are in the US, where the company spends \$10m a year on television advertising to promote its brand. There are operations in another 23 countries from the UK to Russia, China and Chile, which is home to the share-



Andrew Pindar celebrates acquisition

holder who sold his stake to Pindar.

Group chairman Andrew Pindar says: "He was the second largest shareholder with the equity in his own name and he simply wanted to retire."

The group was started in Tucson, Arizona in 1970 coming to the UK during the 1980s, a move which led to Pindar's involvement. All the operations can be linked to offer a worldwide distributed print network and all can offer e-commerce opportunities to customers.

Most operate as extranet services creating a link between customer and the Alphagraphics shop that is particular to that one customer. "Online access of this nature is definitely the way the business is going," Mr Pindar adds.

To celebrate the acquisition, Pindar is sponsoring an all-women crew in the EDF

Green 'takes Potts stake'

By Alex Grant

Thomas Potts, the print group that includes Premier Metropolis, G&E 2000 and print management firm CCS, is the surprise investment choice of Carlton Communications' chairman Michael Green.

Mr Green - who started his career at a south London print company - is in discussions about taking a 29.9%, £6m personal stake in Thomas Potts but will not

assume any direct day-to-day control over the group.

The talks were taking place secretly before being leaked to a Sunday newspaper ten days ago. Thomas Potts' chairman Stephen Hargrave has said "it would be great to have a man of Michael's calibre" but declined to comment further, although Printing World understands the deal is all but signed.

Thomas Potts is also in

talks to take over an unnamed digital printer in central London, the company has announced.

Mr Hargrave, meanwhile, is said to be very close to completing a reverse takeover deal through his dotcom, PrintPotato.com, which is using its finance to bid for a non-print related dotcom.

Clearance for the deal is reported to be going more quickly than Printpotato had

Xeikon asks for \$40m more credit

Xeikon, the loss-making Belgian digital press manufacturer, has raised \$40m to help its finances and avoid having to make redundancies.

Xeikon has issued a US Security & Exchange Commission 20-F filing which said that by March 31 it had used up \$23.8m of its \$30m credit line, and that it

needed \$40m more.

Xeikon has also warned that it will make a loss in the second and third quarters.

The latest warning is not a surprise although some analysts are shocked at how precarious the company's position has become.

It had already warned that it has suffered from a lack of sales to Xerox and delays

to its new CSP 320D press (Printing World, May 7). Xeikon suffered a loss of €27.6m in the year.

In a bid to strengthen sales in Germany, Xeikon has appointed SCS Schwarz as a distributor of its complete press range, not just colour models. New offices have opened in Bremen, Cologne, Berlin and

Reed turns up heat

Reed Elsevier has extended its offer for Harcourt in the US further, as it waits for clearance for its takeover of its publishing rival by the Competition Commission. By last Monday, Reed Elsevier had bought 23,715,530 shares of common stock and 550,482 shares of Series A convertible stock.

Dotcoms realign

PrintChannel.com, the US supplier of e-commerce systems, has bought the assets of rival MediaFlex five months after it ceased trading. "By merging the two technologies, PrintChannel.com will solidify its position as the print procurement platform of choice," says PrintChannel.com chief executive Oliver Pflug.

Confident Adobe

Adobe Systems saw sales grow 15% to \$344.1m in the three months to June 1, although net profits dipped slightly from \$65.8m to \$61.3m. The company expects the third quarter to show little if any growth, but adds that by the fourth quarter a new 'major product upgrade cycle' could restore the company's fortunes.

Are you for the euro?
Page 25



Business GROW-HOW



From Paul Holohan & the team at
Richmond Capital Partners Limited

PRIVATE EQUITY FUNDING

I have a growing, successful print and direct mail business and have no family succession. I would like to raise some money from my business but do not wish to put it on the market. What are my options?

There are a number of ways to fund this kind of transaction. A combination of growth, future prospects and a track record of profitability leave you in the fortunate position of having several options.

Expansion of the venture capital marketplace, a more innovative and flexible approach by investing institutions and a willingness to invest in growing businesses means that there has never been a better time for owner managers to consider raising money via private equity.

Well-structured private transactions can help resolve conflicts that arise between the personal objectives of owners and the needs of the business. Expansion can be boosted which, in turn, can boost earnings growth.

Before offering a deal, private equity houses will consider the following:-

- The quality of the management team
- Potential growth
- Exit options

The type of deal will depend on how much involvement you want to have in the future of the business and also whether you wish to retain a shareholding.

There are three types of private equity transactions:-

Money Out

You stay in control but sell a partial stake. This type of deal will allow you to cash in on your wealth now whilst continuing to develop and grow your business. You need to demonstrate that you will remain fully committed to the business even though you have realised considerable wealth.

Money In

In a competitive environment like ours, staying ahead is difficult but essential for small/medium business owners. Development capital in the form of a money-in deal can provide businesses like yours with much needed funds – without increasing debt and therefore risk. It often makes sense to own a slightly smaller slice of a larger cake.

Selling to your Management

You say that you have a small team of good managers around you. If the business has a promising future another option is a management buy-out (MBO) where the whole of the business is purchased from the existing owners by management.

Investors favour MBO's because of the continuity of management and reduced risk. They can be good for vendors, as there will be fewer warranties to give on the transfer of ownership. It is assumed that the management is already aware of all aspects of the business.

Usually a 'NEWCO' buys the company and becomes the vehicle for the transaction. Of course you too could invest as a "second time entrepreneur" – and receive considerable tax relief. If you are confident about the future this is well worth considering. I have seen such a deal providing funds at sums almost equal to the tax to be paid!

We hope that this helps you.

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

BUSINESSADVICE

Manufacturing takes a battering

By Gareth Ward

Britain's manufacturing output suffered its worst fall in nearly four years in April, the Office of National Statistics has said.

Output slumped 0.9% during the month, the worst performance since August

1997 due to the strong pound and weak world demand. The figures are likely to raise concerns about further job cuts in a sector which has already shed 200,000 jobs in the past two years.

On the announcement, the

pound tumbled to a 15-year low against the dollar due to growing expectations that the new Government might press forward with plans to join the euro.

Many UK businesses in favour of having to deal with only one currency,

legal notices

Appointment of liquidators

● ATP Design & Print Ltd

(previous name of company **Treecastle Ltd**) Design and print company. Liquidator: EJF Brightwell, Grenville Court, Britwell Road, Burnham, Buckinghamshire SL1 8DF

● **Amherst Direct Mail Ltd** Direct mail services. Amherst Direct Marketing Ltd Direct mail services. Amherst Offset Ltd Printer.

Liquidator: CG Wiseman, Deloitte & Touche, Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR

● Boston Hannah Interactive Ltd

Publisher and website designer. Liquidator: M Boswell, MBI Equity Ltd, Brambledene House, Heath View, East Horsley, Leatherhead KT24 5EE

● Eyecatcher UK Ltd Printer.

Liquidator: P O'Hara, O'Hara & Co, Wesley House, Huddersfield Road, Birstall, Batley

● The Fairfield Engraving Co Ltd

Photo engraver, typesetter and commercial artists.

Liquidator: NR Eckley, 33A Chipstead Valley Road, Coulsdon, Surrey CR5 2RB

● Swatchcraft Patternbooks

Patternbook maker. Liquidator: DEM Mond, Hodgsons, George House, George Street, Manchester M1 4HF.

● The Ultimate T-shirt Co Ltd

Textile printer. Liquidator: MW Young, Morton Thornton & Co, Torrington House, 47 Holywell Hill, St Albans, Hertfordshire AL1 1HD.

● Westway Graphics Ltd

(previous company name, **Tyrolese (285) Ltd**)

Reprographic services. Liquidator: AD Allen, BDO Stoy Hayward, Garrick House, 76-80 High Street, Old Fletton, Peterborough PE2 8ST

● Surrey Training & Enterprise Council Ltd

Government support services. Liquidator: J Earp, Grant Thornton, Grant Thornton House, London NW1 2EP

● Aztech Ltd

Software consultancy and supply. Liquidator: DR Beat, Morison Tenon, 75 Springfield Road, Chelmsford, Essex CM2 6JB

● Bedrock Studios Ltd

Graphic designer. Liquidators: B Hoffman and ID Yerrill, Gerald Edelman Business Recovery, Suite 2, Kent House, Station Road, Ashford, Kent TN23 1PP

● Corridor Publications Ltd

Magazine publisher. Liquidators: C Hemmings and M Widdowson, Royal Victoria House, 51-55 The Pantiles, Tunbridge Wells, Kent TN2 5TD

● One Together Ltd

Manufacture of paper and stationery. Liquidators: B Hoffman and ID Yerrill, Gerald Edelman Business Recovery, Suite 2, Kent House, Station Road, Ashford, Kent TN23 1PP

● Ricochet 4 Ltd

Graphic design company. Liquidator: TCH Ball, Mazars Neville Russell, Clifton Down House Beaufort Buildings, Clifton Down, Bristol BS8 4AN

Appointment of Receivers

● The House of Print Printing

Receivers SJ Michaels and DH Gilbert, BDO Stoy Hayward, 8 Baker Street, London W1U 3LL

Meeting of creditors

● Graphics Euro Ltd (formerly

Graphicbrooke Ltd, t/a **HTG Graphics**) at Russell Square House, 10-12 Russell Square, London WC1B 5 LF on June 13 at 2pm

● Colourmap Scanning Ltd

at Menzies Corporate Restructuring, Bridge House, Bridge Street, Staines, Middlesex TW18 4TW on June 25 at 11am

● Stevenage Print Services at

Meridian House, 62 Station Road, North Chingford, London E47 BA on June 25 at 10.30am

● Planet Repro Ltd

at BDO Stoy Hayward, Federation House, Hope Street, Liverpool L1 9BS on June 28 at 11am

● Kabel New Media (UK) Ltd

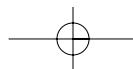
at Levy Gee, Southfield House, 11 Liverpool Gardens, Worthing, West Sussex BN11 1RY on June 30 at 2pm

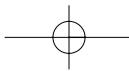
● Wye Packaging Ltd

at Three Counties Hotel, Belmont Road, Hereford, Herefordshire HR2 7BP on June 28 at noon

Notices to creditors

● **Ricochet 4 Ltd** Creditors to send in claims to TCH Ball, Mazars Neville Russell, Clifton Down House Beaufort Buildings, Clifton





Atlantic Challenge yacht
races starting in France
next week.

gward@ubminternational.com

In brief

- Pindar owns most of Alphagraphics
- Buys out Chilean shareholder
- Most of operation in the US

