

3i denies cold shoulder despite string of sales

By Alex Grant

Venture capital house 3i has denied it is "backing out" of the printing industry despite a string of sales.

It has recently had a stake in Waddies, which has now been sold on to the Ormolu Group, Print Direct (sold to Wyndeham Press Group in 2000), Astron (sold on to Prudential's PPM Ventures and merged with Tactica Solutions), and Mackays of Chatham (sold to Chevrillon Philippe in the same year).

3i sold off its stake in Imprima, formerly known as Oyez Press, to the Dutch Mercurius Group in November 2001. Its most recent sell-off was Wheatley Packaging in Scunthorpe, which went to the Frantschach Group of Austria last month, although 3i says it

more than doubled its original investment.

With no new investments in the print sector being announced, there has been speculation that 3i is following the example of the high street banks and giving the cold shoulder to print because of its low margins and high risk of company failure.

3i will not reveal exactly which print sector companies it has recently invested in, although it is known to still have a stake in Picdar, SR Communications and Carrs Paper.

"We are cautious about making generalisations about an industry and look at each investment on its merits," says a spokeswoman, who added that 3i made five new investments in the print sector in 2001.

Overall, 3i has stakes in 45 companies in print, 30 of them in the UK. Of these deals, one dates back to 1986 and the most recent was signed in January 2002. Among 3i's recent investments is Pixology, a digital imaging com-

pany, and Trustcopy, a document security company in Singapore. agrant@cmpinformation.com

In brief

- 3i reassures on print sector
- Denies it is withdrawing
- Five investments in 2001

Dutch directories deal

One new deal that 3i may be about to sign is with the Dutch phone group KPN, whose directories arm is up for grabs.

3i already owns Sonera, a Finnish directories business, and has a stake in Thomson Directories.

It is believed to want to build a rival to Yell, the owner of *Yellow*

Pages. BT, which sold Yell to Apax Partners and Hicks, Muse, Tate & Furst last year, is also pondering a return to the business directories market, having bought the assets of Scoot.com for £5m in July.

A 12-month non-competition clause agreed between BT and Yell is about to expire.

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Lowered hopes

Adobe has lowered its expectations for Q3 sales and profits because of poor sales in July, which were especially so in Europe and Japan. Sales are now expected to be between \$270m and \$290m, down from \$300m to \$320m. 'This is a difficult global business environment,' says chief executive Bruce Chizen. 'However, Adobe continues to be a very profitable company.'

Helping hands

Small businesses in West Yorkshire, Essex and Devon are being offered help with the cost of meeting health and safety rules. The Health & Safety Executive is piloting a Small Firms' Assistance Scheme in these three areas, whereby companies with ten or fewer employees will get match funding to cover 50% of the cost of health and safety training to staff.

Haynes revs up

Haynes Publishing has made a full-year profit of £2.1m for the 12 months to May 31, up from a loss of £700,000 the year before. In the first half, Haynes had made a profit of £1.4m. Sales of car manuals, the company's most famous product, are up 4% year-on-year. But an overall loss of £500,000 in the UK and Europe has prompted Haynes to look for more third-party work to fill its presses at Sparkford, Somerset.

Ormerods installs Diamond
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Q2 revenue climb buoys AVT growth

By Sasa Jankovic

Israeli manufacturer Advanced Vision Technology has seen its Q2, 2002 revenues climb 21% on the same quarter last year to \$2.8m. Total revenues for the first six months were \$5.3m, representing an increase of 13.3% over the same period in 2001.

Equipment orders in Q2 were the highest in AVT's history at \$4.5m (\$3.5m in Q1, 2002). Orders for the six-month period were up 40% to \$8m over the first six months of 2001 (\$5.7m).

"These results are significantly better than expected at the beginning of the year," says president and chief executive Shlomo Amir. "Providing American and European markets will not turn sour, we expect to continue growing in the second half of 2002."

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In brief

- AVT buoyant over Q1 figures
- Climb of 21% over 2001
- Firm confident for the future

Prestigious papers' ad slump

Two of the UK's most prestigious media titles – *The Economist* and *The Guardian* – showed that they are far from immune from the drop in advertising last week.

Guardian Media Group, which publishes *The Guardian*, *The Observer* and a range of local papers, has seen profits in the year to March 31 fall from £67m to just £9.8m, even though turnover was up 4%. GMG has hinted that profits from its regional papers have been used to underwrite continued losses at its national papers.

Meanwhile the Economist Group has seen a 55% fall in profits to £9m in the year to March 31, because of a dearth of advertising, despite a 10% increase in the circulation of its flagship weekly title, which is printed by St Ives in the UK and Roto Smeets for its European editions.

Staff numbers have fallen by more than 500 during the year with the sell-off of Pyramid Research and the *Journal of Commerce* in the US.

The Group exited printing and

sold Redhouse Press, its former inplant in Dartford, to Paterson Printing of Tunbridge Wells in June 2001. Paterson still prints a lot of direct mail for the Economist Group and says it has seen little reduction in volumes this year. The group has said it has no plans to cut its own marketing budget this year.

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In brief

- Economist, Guardian profits' plunge
- Regionals help out GMG
- Economist economy measures

Late payment law extended to large firms

Britain's largest companies are taking longer than ever to pay their bills, but could be in for a shock now that the UK's late payment law is extended to apply to all companies regardless of size.

First introduced four years ago, the legislation now applies to all companies from August 7. This means that large companies can be charged on bills that have

been left unpaid. Previously only small and medium-sized companies were covered.

But figures from Experian show that the average period taken by large companies to pay bills has lengthened from 72 days in 1998 to 77.9 days now. Small and medium-sized companies take on average 19.3 days less to settle their bills.

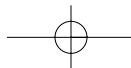
The research shows that the

electricity, water, oil and gas sectors, all dominated by large firms which are major print buyers, are the slowest to pay, with the largest companies taking up to 83 days on average to settle bills.

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In brief

- Late payment law extended
- Large firms now face charges
- Some pay bills in 83 days



Business GROW-HOW



From Paul Holohan & the team at
Richmond Capital Partners Limited

THE CHANGE CHALLENGE

Last week we looked at the process of change and why change fails. This week we look at ways to limit the risk of failure in a change management programme.

- BUSINESSADVICE**
- Be clear on what kind of change is required e.g. major shake-up vs a moderate process improvement, slow vs rapid. Each has different implications
 - Plan, plan, plan
Schedule, don't skip steps, define objectives and responsibilities; focus on the detail. Monitor progress/achievement
 - Communicate
The top management must 'walk the talk'. Communication must be two-way not a "telling" style. Create open dialogue. **Ask** for the views of others.
 - Review reward systems. Are they appropriate to the goals of the firm?
 - Set short-term goals
The war will only be won by winning a series of battles along the way.
 - Get rid of 'blame' culture and focus on continuous improvement with a positive approach. Drive out fear, build trust.
 - Pre-empt resistance. Recognise who has to gain and lose in the change.
 - All hands on deck.
Recognise that people are much more inclined to support what they help create, and resist what is forced upon them.
 - Avoid complacency
Create an environment in which your people recognise that the *status quo* is no longer sustainable; drive people out of their comfort zones and create momentum.
 - Set your sights on clear objectives
For example x% job costings produced within estimated times. But don't manage by numbers alone!
 - Prepare for the unpredictable
An organisation prepared for uncertainty is better placed to optimise the opportunities which change creates.
 - Prepare employees
Give them support and confidence. Train them in readiness.
- Following these 12 points and recognising the reasons for failure given last week should give you a good chance of success.
- Good luck!

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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UBM operating profits fall

United Business Media, parent company of *Printing World* publisher CMP Information, has seen operating profits fall from £40.4m to £36.4m in the first half, with little sign of an improve-

ment in advertising volumes.

While the US-based high-tech publisher CMP Media saw turnover fall 38% in the first half and made a loss of £9.2m, cost-cutting at CMP Information has

helped to increase profits there from £400,000 to £7.3m, despite a 8.1% fall in sales. UBM shares have fallen to a ten-year low of 224.5p on the results.

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Xerox lender's four-way company split

GE Capital, the US corporate finance group that extended a further \$496m to Xerox earlier this year, has reorganised and split into four new businesses.

The company is a major supplier of vendor finance which

enables printers to buy capital equipment such as presses.

Its "media communications" group is now part of one of the four new entities, GE Commercial Finance.

The other three will cover insur-

ance, consumer finance and equipment management.

The shakeout at GE is aimed at aligning more closely with "natural markets" and creating a "clearer line of sight" over each of them.

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legal notices

Compulsory winding up

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

● **Tag Music Publishing Ltd**
5 Rupert Court, Soho, London W1D 6EB on September 4 at 10.30am. Petition by Customs & Excise

● **Midlands Publishing Group Plc**
6 Duncastle Court, Arcadia Avenue, London N3 2JU on August 14 at 10.30am. Petition by The Financial Times Ltd

● **Absolut Print & Design Ltd**
The Old Stables, Greys Yard, Morpeth, Northumberland NE61 1QD on August 14 at 10.30am. Petition by Paperun Ltd

The following cases are due to be heard at Leeds District Registry, The Courthouse, Oxford Row, Leeds LS1 1BG

● **Wilson Publications & Design Ltd**
152 Brodick Drive, Bolton, Lancashire BL2 6TZ on August 13 at 10.30am. Petition by Customs & Excise

● **Premier Graphic Drying Co Ltd**
60 Farm Lane, Worsley, Manchester, Greater Manchester M28 2PR on August 13 at 10.30am. Petition by Customs & Excise

The following case is due to be heard at Bristol District Registry, the Guildhall, Small Street, Bristol

● **Impulse Publishing Ltd** 1 Allonby Gardens, Wembley, Middlesex on August 15 at 10am. Petition by Mark Ayshford, James Gale and Russell Ware

Appointment of liquidators

● **Pigeon Sport Publications Ltd**
Publish journals and periodicals. Liquidator: B Hoffman and I Yerrill, G Edelman Business Recovery, Kent House, Station Road, Ashford, Kent TN23 1PP

● **Life01 Ltd** Graphic designer. Liquidator: ID Williams, Benedict Mackenzie, 62 Wilson Street, London EC2A 2BU

● **Eclipse Print Management Ltd**
Print management and print design. Liquidators: SJ Wainwright and S Lord, Poppleton & Appleby, 32 High Street, Manchester M4 1QD

● **Replica (UK) Ltd** Previous company name: **Magicterm Ltd** Printer. Liquidator: PB Harrington, Bernard Harrington & Co, Blandford House, 77 Shrivensham Hundred Business Park, Majors Road, Watchfield

● **Linecrown Ltd (t/a Instant Print Finishers)** Print finishing. Liquidators: PS Dunn and SR Thomas, Tenon Recovery, Sherlock House, 73 Baker Street, London W1U 6RD

● **Careersinrecruitment.com Ltd**
Publishing. Liquidator: SM Rout, Stephen M Rout & Co, 12 Signet Court, Swann's Road, Cambridge CB5 8LA

● **Imaging Resources Ltd** Image scanning and related equipment. Liquidator: MH Linton, Leigh & Co, Brentmead House, Britannia Road, London N12 9RU

Meetings of creditors

● **Lasum Graphics Printers Ltd** at Crawfords, Stanton House, 41 Blackfriars Road, Salford, Manchester M3 7DB on August 15 at 10.30am

● **Carlton Offset Ltd** at 41 Castle Way, Southampton SO14 2BW on August 6

● **ABS Print Services Ltd** at Salisbury House, Station Road, Cambridge CB1 2LA on August 9

● **Printplan Lithocolor Ltd** at 21-23 Station Road, Gerrards Cross, Buckinghamshire SL9 8ES on August 22 at 3pm

● **Pixel Colour Ltd** at 1-2 Raymond Buildings, Gray's Inn, London WC1R 5NR on August 29 at 11am

Final meetings

● **Midland Magazines Ltd** at BDO Stoy Hayward, Beneficial Building, Birmingham B1 2BJ on August 28 at 10am for members and at 10.30am for creditors

Disclaimer

● **Larkfield Performance Consultants Ltd** Stocks Lane, Over Peover, Cheshire WA16 8TU wishes to point out that it has no connection whatsoever with Larkfield Colour Group Ltd as mentioned in Legals of August 5

