

Cockburn signs

Business Post, the private courier that is trying to end Consignia's monopoly on the direct mail market, has won a new string to its bow: Bill Cockburn, former Post Office chief executive, has been hired as Business Post's deputy chairman. Business Post is eyeing a 2-3% share of the 4,000-plus direct mail market, assuming Postcomm allows it to be deregulated.

Xerox still looking

Xerox is having difficulty finding a new chief finance officer because of the Enron affair, chief executive Anne Mulcahy has told the *Financial Times*. Candidates are less likely to take on very high-profile roles for fear of litigation, she warned. Xerox is also under investigation by the Securities & Exchange Commission because of alleged lapses in its accounting standards.

Rexam's record

Rexam's decision to exit print and concentrate on consumer packaging seems to have paid off, with record profits of nearly £3.5bn in 2001, 25% higher than in 2000. But Rexam Image Products, which makes non-paper substrates, had a "very poor year" and made a loss because of the advertising downturn, forcing Rexam to take a fixed asset impairment charge of £63m. Image Products is up for sale but no buyer has emerged as yet.

UK market losses
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Communisys sees profits up 25%

By Alex Grant

Communisys increased sales and profits by more than 25% in 2001 is first full year of existence, thanks to its decision to "resist the chase for sales volumes at any price" and focus on higher margin work.

Communisys is also outsourcing more of its work. "We are looking to supply customers across the full range of printing communications even though we may ourselves only manufacture the key higher added value products," says chief executive David Jones.

Although its business is mainly ink on paper, the group describes itself as in "information management and communications" and has opened an electronic communications centre on the old Waddington Chorleys site in Leeds, which is now called Communisys One.

The company owns much of the old Waddington and Rexam's former printing operations. Ongoing reorganisation saw factories in Shepton Mallet and Acton, north-west London close down last year and further closures in Belgium and Wincanton,

Somerset, are planned. Communisys has passed its 10% profit margin target in all its divisions, reaching 11% margins compared to 9.3% last year.

Under the terms of the buyout they led in 2000, chairman Stuart Wallis and chief executive David Jones shared a payout of £5.2m last year, and will receive up to another £1.4m over the next two years.

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In brief

- Communisys profits up 25%
- Aiming at higher margin work
- All divisions pass 10%

Half suppliers in the red

Nearly half of the major graphic arts suppliers are making a loss in the UK market according to their most recent results, a *Printing World* study has shown.

Companies House holds figures on the performance of the UK subsidiaries of major suppliers like Heidelberg and Agfa, which are never publicly issued by the companies.

Their published results normally cover all the company's operations around the world, masking extreme regional variations. A trawl through Companies House can uncover figures which neatly complement the published worldwide results.

Agfa has just announced a worldwide loss of €288m in 2001. Its UK figures show that it made a profit of less than £1m in the UK in the previous year, a margin of less than 0.5%.

MAN Roland's worldwide profits have just risen from €79m to €89m but the company concedes that some European markets, such as Italy, are still faring a lot better than the UK.

True enough, figures from Companies House show that Pershke Price Service, the UK supplier of MAN Roland presses, made a loss of £1.6m in 2000 because of a large dividend it had to pay to its parent company

Omnigraph. The research also reveals that Kodak Polychrome Graphics made a huge loss of £16.2m in the UK in 1999, the first year after its creation and the most recent year for which figures are available.

Heidelberg, has just announced a 50% drop in worldwide profits in the last nine months. The company only made a profit margin of 4% in the UK in the year to March 2001.

● See Feature page 60

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In brief

- Companies House reveals all
- Which firms are making the money
- Which firms are not

Bleak Q4 for advertisement spending

Although there are signs that advertising volumes could be rising in the US, they continued to fall in the UK in the fourth quarter of 2001.

New figures from the Advertising Association show that advertising in national newspapers was down by 17.5% in the fourth quarter, even higher than the 10% downturn in the third, and even worse than the 13% fall in television and radio advertis-

ing. Business magazine advertising volumes were down by 11.1% and outdoor advertising 12.9%.

For 2001 as a whole, national newspaper ad spend is down 8% and business magazines 5.4%. But there were some brighter spots.

Direct mail spending grew by 11.2% in the fourth quarter, faster than at any time since early 2000.

Regional newspaper ad spend

is up 2.6% and consumer magazines up 3.9%. Most of the declines are in display advertising.

For classified, a 19.2% fall in recruitment advertising was cancelled out by a 31.2% rise in property ads.

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In brief

- Advertising volumes fall
- Figures tell sad story
- Classified properties surge

DS Smith suffers

Weaker paper prices and falling sales have hit DS Smith, the papermaker and office products supplier.

In a profits warning, the firm says that its Spicers division, which suffered a fall in first-half profits, has suffered a further fall in trade, which will mean a full-year loss in the results out on June 27. Packaging volumes are holding up, but are also being hit by lower prices, the company says.

A £30m write down is being made because of the reduced value in Spicers and problems at a DS Smith corrugated packaging factory in Turkey.

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Scitex loses \$250m

Scitex Corporation has made a net loss of \$250m for 2001, much of it due to its holding in Creo, where share values have fallen, and most of which is since sold.

Chief executive Yeoshua Agassi says that he is aiming to sell off the rest of Scitex's share in Creo soon. Total sales were up 13% to \$256.2m for the year as a whole, but were down 9% in the fourth quarter to \$59.1m. The company also had to pay \$20m to the US Internal Revenue Service in the fourth quarter, following an audit of US subsidiaries' books for 1992-1996. Further payments might be needed later.

Scitex sold half its share in CreoScitex, which is now being rebranded as plain Creo, last December. It now owns just 12%, down from 27%, and received \$78m to pay off debt from the sale, which will allow more Creo shares to be bought by institutional shareholders.

Scitex says its remaining share in Creo is now "up for sale". Mr Agassi says: "At the right price and at the right time, we'll sell. I believe the market is becoming softer and we might get a good price in the next few months."

Its wide-format division, Scitex Vision, suffered a \$1.8m loss in Q4, opposed to a \$2.4m profit the year before, because of a \$15m write down in the value of its technology and a 6.4% fall in profits.



Business GROW-HOW



From Paul Holohan & the team at
Richmond Capital Partners Limited

MANAGING INHERITED PROBLEMS

I own a reasonably successful printing firm and want to buy another. The new one has problems which I do not want to inherit. The present owner does not have good relations with his staff and has recently been taken to an employment tribunal. I would like to change things like working hours to suit my needs. Is this possible?

This problem is covered by the Transfer of Undertakings (Protection of Employment) Regulations 1981 (TUPE). You need to be careful and to take professional advice. The BPIF can support you here.

Much will depend on whether there is a transfer as defined by the regulations in which case do not change your workers' terms and conditions.

You may be able to negotiate changes to contracts and individual working arrangements but not for a reason associated with the transfer.

Explain to your new workers why you need them to adapt to new hours. Allow them to consider the proposals and ensure that all negotiations are put in writing. If they agree, you do not have a problem. If they do not, you may have to dismiss them and offer the old jobs on new terms.

If, by Law, this is not a transfer you may change employee contracts by negotiation and consultation without being restricted by the transfer rules. If, legally, it is a transfer then all tribunals or disputes will automatically be transferred to you.

Talk to the present owner and investigate fully the options before going forward.

Ultimately it could be just a question of good communication. Most employees, in my experience, are realistic but need to trust the leader. In this case trust is probably missing so you would need to establish trust with the workforce and 'sell' the need for change.

In negotiating the acquisition be careful to allow for this issue - perhaps in the form of a retention of part of the consideration.

Also ensure that all litigation, whether pending or likely, is disclosed by the vendor and seek a clear warranty from him/her.

If you cannot get what you want, walk away!

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.

Little headway at Efl

Electronics for Imaging, manufacturer of the Fiery server, is still in the doldrums.

Efi says it is expecting sales of \$80m-\$83m and has lowered its profits target from 16 cents per share to just three to four cents for

the first quarter of 2002. In the first quarter of 2001, Efi had sales of \$141m and made a profit of 18 cents per share.

Second quarter trading is expected to be only slightly better, and the share price has fallen

swiftly by nearly 20%, from \$19.48 to \$17.66.

Efi chief executive Guy Gecht says the slowdown in sales is being seen in both production and office inplant environments. agrant@cmpinformaton.com

legal notices

Compulsory winding up

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

● **Wiseman Publishing Ltd** 59 Piccadilly, Manchester, Lancashire M1 2AQ on March 19 at 10.30am. Petition by Customs & Excise

● **Print International Trading Co Ltd** Freedom House, Snowdon Road, Lytham St Annes, Lancashire FY8 3DP. Petition by Customs & Excise

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

● **Latham Finishers Ltd** Unit 36 Walkers Road North, Moons Moat, Redditch, Worcestershire on March 25 at 10am. Petition by Customs & Excise

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

● **Dudley Business Services Ltd** Crown Close, Wick Lane, London E3 2JT on March 27 at 10.30am. Petition by Amita Patel

Appointment of liquidators

● **CLA Media Ltd** Magazine publisher. Liquidators: DF Wilson and JNR Pitts, Wilson Pitts, Devonshire House, 38 York Place, Leeds LS1 2ED

● **BG Direct Mail Print Finishers Ltd** Previous company names: **Michco 181 Ltd** and **Eager & Extra (Platt) Ltd** Print company.

Liquidators: DP Hudson and NP Ailyan, Begbies Traynor, The Old Exchange, 234 Southchurch Road, Southend-on-Sea, Essex SS1 2EG

● **Northern Screen Prints Ltd** Screen printer. Liquidator:

P Sargent, Sargent & Co, 36 Clare Road, Halifax HX1 2HX

● **DHC Cutterdies Ltd** Print finisher and diemaker. Liquidator: P Sargent, Sargent & Co, 36 Clare Road, Halifax HX1 2HX

● **Consul Printing & Packaging Ltd** Paper, printing and publishing. Liquidator: SD Swaden, Leonard Curtis, One Great Cumberland Place, London W1H 7LW

● **CRL Digital Ltd** Printer. Liquidators: TS Courtman and EG Exley, Cooper Parry, 56 High Pavement, Nottingham MN1 1HX

● **Nirvana Pre-press Ltd** Reprographic supplier. Liquidator: RA Segal, A Segal & Co, Albert Chambers, 221-223 Chingford Mount Road, Chingford, London E4 8LP

● **Galla Reproductions Ltd** Print bureau services. Liquidator: AD Kent 60-62 High Street, Harpenden, Hertfordshire AL5 2SP 2SP

● **The Newsletter Company Ltd** Publishing. Liquidators: DB Coakley and MP Riley, BDO Stoy Hayward, Connaught House, Alexandra Terrace, Guildford, Surrey GU1 3DA

Meetings of creditors

● **Esprit Print & Promotions Ltd** at Russell Square House, 10-12 Russell Square, London WC1B 5EH on March 21 at 3pm

● **Speedprint Ltd, Spectrum Flair Finishing Service Ltd, Spectrum Flair Direct Ltd, The Spectrum Flair Group Ltd and Spectrum Flair Digital Services Ltd** at Poppleton & Appleby, 141 Great Charles Street, Birmingham B3 3LG on March 20 at 11am

● **Concept Finishing Contractors Ltd** at 93 Queen Street, Sheffield S1 1WF on March 20 at 11am

Notices to creditors

● **Waterlyne Print Ltd** Creditors to send claims to TS Courtman and EV Exley, Cooper Parry, 56 High Pavement, Nottingham NG1 1HX by May 26

● **The Tudor Press (Redditch) Ltd** Creditors to send claims to KJ Watkin, Emerald House, 20-22 Anchor Road, Aldridge, Walsall by April 5

● **Silhouette Print Ltd** Creditors to send claims to DP Hudson, Begbies Traynor, The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex SS1 2EG by April 10

Final meetings

● **Strongworth Ltd (t/a The Book Company)** at 180 High Street, Egham, Surrey TW20 9DN on March 29 at 2pm for members and at 2.15pm for creditors

● **Adelco Printing, Stationery & Office Furniture Ltd** at Russell Square House, 10-12 Russell Square, London WC1B 5EH on April 19 at 11am for members and at 11.15am for creditors

● **Group Publishing Ltd** at Albert Chambers, 221-223 Chingford Mount Road, London E4 8LP on April 2 at 12 noon for members and at 12.30pm for creditors

● **Richard Cohen Books Ltd** at Levy Gee, Southfield House, 11 Liverpool Gardens, Worthing, West Sussex BN11 1RY on April 22 at 10am for members and at 10.15am for creditors

● **Colourstep Ltd** at Richard J Smith & Co, 53 Fore Street, Ivybridge, Devon PL21 9AE on April 9 at 10.30am for members and at 10.45am for creditors

● **Carlton Press Knives Ltd** at Begbies Traynor, Elliot House, 151 Deansgate, Manchester M3 3BP on April 8 at 10.30am for members and at 11am for creditors

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