

KBA sights set on the future as losses fall

By Gareth Ward

KBA is planning for a double digit increase in orders for its Karat digitally imaged presses this year.

The company continues to lose money on the new technology machines, but losses in 2001 were much reduced on 2000 on sales which tripled to €21.6m (€7.4m). Reported losses were €7.5m against €12.5m posted a year earlier.

The joint venture nature of the project continues to unwind with plans now underway to make Karat Digital Press, a division of the sheetfed offset operation, as an integral part of the parent company.

In the KBA annual report, the company declares its expecta-

tions for the business: "In the medium term, we are aiming to move up among the leading players in the high potential market for digitally integrated print production."

Other highlights for the present year will be the summer launch of the 4/1 Prisma newspaper press currently being built in preparation for open days in Würzburg.

The company calls this "a highly sophisticated press for an expanding market". In that it will join the Cortina waterless newspaper press development.

The first double width version of this machine will be field tested by a German publisher in the autumn to test assumptions and check its feasibility in a real

production situation. Whatever the outcome, KBA is planning to introduce some of the fast make-ready concepts pioneered in Cortina in other newspaper webs.

In gravure, the company has ongoing orders for two 3.68m TR10B machines for Lenglet Imprimeurs in France, a slighter narrower machine for Sebald Druck in Germany and another TR10B for Axel Springer. Other orders include presses for Toppan Printing and RR Donnelley.

This builds on a successful 2001 when Sebald installed its first 3.64m press as did Gruner & Jahr, while DC Thomson bought a TR5B.

With web press sales increasing through 2001 and the

sheetfed operation enjoying good sales despite a dip in the summer and early autumn, it is no surprise that the group achieved record sales.

The sheetfed division is selected for particular praise having increased sales by 23.1% to €636.1m.

In 2001, group sales rose 18.6% to €1.3bn while net earnings were up 29.8%, bolstered by acquisitions. Little wonder that president Reinhardt Siewert can say: "This far outstrips the performance of comparable companies in the engineering sector."

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In brief

- Confident KBA aims high
- Plans big Karat sales drive
- Reduced losses in 2001

Promoting Norwich

Archant, formerly known as Eastern Counties Newspapers Group, has been named as one of the UK's top 100 private companies in the *Sunday Times PricewaterhouseCoopers Profit Track 100*. The national media company is the highest ranked newspaper and magazine publisher with an annual profit growth of 34% a year from £10.6m in 1997 to £25.1m in 2000.

Paper giant slumps

MeadWestvaco has announced a net loss of \$63m in the first quarter or 2002. Net sales for the period were \$1.46bn. The company took around 46,000 tons of market related downtime across its paperboard operations, which reduced pretax profit by \$10m. In Q2, it predicts production downtime of 25,000 tons for paperboard and 32,000 tons for coated paper, which would further reduce pretax profits by \$16m.

Money in mind

Xerox expects to complete a new refinancing arrangement with its main creditor banks by the end of June. The company says the principal terms and conditions for refinancing part of a revolving credit line and extending its maturity beyond October have been sent to its 57 creditor banks. Xerox has a current worldwide cash balance of \$4.7bn.

Södra income drops
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Agfa waits on recovery

By Sasa Jankovic

Agfa-Gevaert's chief executive Ludo Verhoeven, told shareholders at its annual meeting that sales were not yet showing a convincing recovery.

"For Agfa, 2001 has been a particularly difficult year and our results clearly reflect this, he said, "but we swiftly reacted to the sharp reversal of economic conditions and took the necessary measures to improve profitability.

"Our sales are stabilising, but it is too early to speak of a clear revival. On the other hand, for the results of the first quarter an improvement of the margins can be expected, especially thanks to the first positive effects of our Horizon plan.

"If economic growth picks up in the second half of 2002 as expected and taking into account the fact that the positive effects of Horizon will increase gradually, the results of Agfa-Gevaert will clearly improve in the second half of 2002."

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Presstek has the blues

Record revenue from plate sales has failed to compensate for falling revenue from imaging kits and other hardware according to Presstek's Q1 figures.

While sales to Ryobi and KBA are up, Heidelberg's decision to adjust its inventory and production levels and lack of sales through Xerox, had the net effect of driving sales in this segment of business down to \$5.7m (\$11.2m).

However, plate sales were up at

\$13.7m (\$12.5m) helping mitigate the equipment short fall. Nevertheless, sales were down at \$19.4m (\$23.7m) resulting in a pretax profit of \$183,000 (\$973,000).

This will be the base for newly appointed chief executive Ed Marino to build upon.

He says that the consumables business "has taken an encouraging turn" although there is no sign of recovery in other segments". It is early days as yet, he

says: "We are in the early stages of the review process and until we get our arms around the entire Presstek outlook, we prefer to limit our guidance regarding second quarter prospects.

"Prospects for the future are bright, but clearly we have work to do now."

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In brief

- Falling revenue hits Presstek
- Aims to fight back
- First task for new chief executive

Polestar: what next by Investcorp

Investcorp's view of its investment in Polestar has changed.

The company which sees itself as an investment group looking for value creation and growth believed that the print group it invested in was operating in high growth areas, newspaper supplements (16%) and retail catalogues (42%). According to Investcorp's Tristan de Boysson, speaking at Comprint, the aim was to create a clear market leader

able to lead the inevitable consolidation in the market.

However, while synergies were achieved from merging administrative functions, changes in the market meant that the original plan was never achieved.

Add to this that market growth is slowing, and Investcorp is now looking at longer term investment.

Investcorp has hung onto investments for as long as ten

years in the past before exiting through a floatation or through selling the business on.

He says: "There's still a large potential to reduce cost and improve quality and manage assets better and develop added value services. We believe growth in basic printing has been slowing down, but there are opportunities for high value added services."

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Business GROW-HOW



From Paul Holohan & the team at
Richmond Capital Partners Limited

SELLING THE BUSINESS

The print industry has a high proportion of privately owned companies, many with owners who, after a considerable time, dedicated to building the business, now wish to benefit from the wealth created but which is locked up in the company.

Considering the sale of the company is a complex issue and goes well beyond simply 'putting it on the market'. It is not just a matter of selling the shares to a buyer. There are several options and these should be considered fully from the very earliest moment and before any hint of a sale is revealed. Prematurely leaking that you may be looking to sell can undermine customer confidence, cause employee insecurity and, by setting rumours flying, can harm the forward order book. And what if no offer is forthcoming? That doesn't create great confidence for the future with your customers.

Obtaining the best price may require longer term strategies - preparing the business for sale in effect. It also requires an honest analysis of what you want from the sale and what is realistic. Not just the figure on the cheque but do you wish to remain at the helm therefore selling only a part of the business to release wealth to you? Have you considered an MBO or an MBI? Can you realise the capital tied up in the company in other ways? Are you selling because business is not as good as you would like it to be and are you therefore really looking for other solutions but only seeing sale as a viable option? Or do you simply want to put your feet up and enjoy the proceeds of your endeavours?

Whatever your decisions, you really do need knowledgeable practical advice. Letting the experts handle this aspect enables the owner to concentrate on the day to day management of the company, retaining and developing its business to be attractive to potential buyers. Experts can help to put buyers and sellers in touch - confidentially because they have the contacts and inside knowledge.

Every potential sale has to be tailored to the individual circumstances and has its own problems and benefits. It can take a long time to sell a company even a successful one and effective planning of the sale is the key to maximising the sale price.

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.

BUSINESSADVICE

Shake-up in Hong Kong

By Gareth Ward

A British venture capital funder is ultimately behind the buyout of one of Hong Kong's leading printing businesses.

CVC Capital Partners has backed a Cayman Islands' registered company called Asia Printers Group to acquire the commercial printing interests of the Sing Tao publishing group. It is funding the deal through CVC Capital Partners Asia Pacific in collaboration with Asia Investors in making the HK\$428m invest-

ment. Both are indirect subsidiaries of Citicorp.

They are buying South China Printing, Roman Financial Press, Valiant Packaging and Noble World Printing. These print colour and children's books for, among others, Penguin Putnam, Simon & Schuster and HarperCollins in the UK and US.

The printing businesses are listed as having assets of HK\$206.2m and a pretax profit of HK\$70.4m for the year ended March, 2001.

A Sing Tao spokesperson says it needed to sell its print operations to fund development to become a leading information services provider to global Chinese communities.

It will however, retain a 50% stake in Premier Printing Group, a magazine and newspaper printer which produces several titles for the group including the flagship *Sing Tao Daily* and *Hong Kong I Mail*, which have been restructured to curb losses.

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legal notices

Compulsory winding up

The following case is due to be heard at High Court of Justice, Chancery Division, Leeds district Registry, Oxford Row, Leeds

- **Aftaprint Ltd** 56 Catley Road, Darnall, Sheffield S9 5JF on May 14 at 10.30am. Petition by McCormicks Solicitors

Appointment of liquidators

- **Jamarand Ltd** Trading name **CX Digital Printer**. Liquidator: RI Williamson, Campbell, Crossley & Davis, 348-350 Lytham Road, Blackpool FY4 1DW
- **MC Print Co Ltd** Printing. Liquidator: SR Cork, Prospect House, 2 Athenaeum Road, London N20 9YU
- **Pulse Design & Marketing Ltd** The provision of marketing services. Liquidator: MH Linton, Leigh & Co, Brentmead House, Britannia Road, London N12 9RU
- **Advertising Marketing Media (AMM) Publishing Ltd** Publishing. Liquidator: MH Linton, Leigh & Co, Brentmead House, Britannia Road, London N12 9RU
- **The Creative Minds Consultancy Ltd** Previous company name: **Hobbydream Ltd** Advertising. Liquidator: T Brown, Silver Altman Ltd, 8 Baltic Street East, London EC1 9UP
- **Wiseman Publications (UK) Ltd** Advertising and publications. Liquidator: JSF Bennett, Casson Beckman & Partners, 8 Tib Lane, Manchester M2 4JB

Notices to creditors

- **Clifton Litho Reproductions Ltd** Creditors to send claims to ET Kerr, Pannell House, 159 Charles Street, Leicester LE1 1LD by June 19
- **Graphen Print Ltd** Creditors to send claims to RM Hilton, Adcrofts, 269 Church Street, Blackpool by May 17
- **The Cambridge Mailing Co Ltd** Creditors to send claims to S Lettice, Peters Elworthy & Moore, Salisbury House, Station Road, Cambridge CB1 2LA by May 31
- **Advertising Marketing Media (AMM) Publishing Ltd** Creditors to send claims to MH Linton, Leigh & Co, Brentmead House, Britannia Road, London N12 9RU by May 31

Meetings of creditors

- **Stationery Lines Ltd** at Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire SO53 3TZ on May 1
- **Rock Publishing Ltd** at Wilder Coe, 233-237 Old Marylebone Road, London NW1 5QT on May 15 at 11am
- **Ryeprint Ltd** at Valentine & Co, 4 Duncastle Court, 14 Arcadia Avenue, London N3 2HS on May 9 at 2pm
- **Preston Print Finishers Ltd** at Begbies Traynor, 1 Winckley Court, Chapel Street, Preston PR1 8BU on May 8 at 11.30am
- **MC Print Company Ltd** at Prospect House, 2 Athenaeum Road, London N20 9YU on May 3
- **J Looker Printers Ltd** at Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire SO53 3TZ on May 30 at 10am for members and at 10.30am for creditors
- **Central Print Services (Midlands) Ltd** at 71 Preston New Road, Blackburn BB2 6AY on June 19 at 2pm for members and at 2.30pm for creditors
- **Pressequip Ltd** (formerly **Dornier Printing Machinery Ltd**) at Prospect House, 2 Athenaeum Road, London N20 9YU on May 30 at 11.30am for members and creditors
- **SMS Press Ltd** at WM Insolvency, 190 Soho Hill, Handsworth, Birmingham B19 1AG on May 29 at 10am for members and 10.15am for creditors
- **Heyside Packaging** at Tomlinson's, St Johns Court, 72 Gartside Street, Manchester M3 3EL on May 27 at 10am for members and 10.15am for creditors
- **Colour Pride Print & Design Ltd** at Haden Insolvency, Haden House, 482 Birmingham Road, Bromsgrove, Worcestershire B61 0HX at 10am for members and 10.30am for creditors
- **London Web Offset** at Harris Lipman, 2 Mountview Court, 310 Friern Barnet Lane, Whetstone, London N20 0YZ on May 27 at 10am for members and 10.15am for creditors
- **Good Press Ltd** at Prospect House, 2 Athenaeum Road, London N20 9YU on June 14 at 10.30am

