

New look Wyndeham 'turns itself round'

By Alex Grant

Six months after its annual profits more than halved to £6.2m, Wyndeham Press Group says it has turned itself round with a tripling of interim profits from £1m to £3m.

Although sales in the six months to September 30 have fallen slightly from £62.5m to £62.4m, profits have been improved thanks to cost cutting, says chief executive Bryan Bedson. A dividend of 1.5p, up from zero last year, is being paid.

Wyndeham has recently sold its "non-core" Riverside Packaging unit in Newbury to Northern Packaging Distributors and last year closed works in Shrewsbury, west London and moved commercial printing to a new plant in Luton.

Since then, there has been a 10% cut in staffing across all the group's sites.

And after spending £66m over the past five years on new equipment including a Lithoman at Heron, Wyndeham is keeping its purse strings closed this year to cut debt from £52.4m to £44m this year.

Only £1.3m has been spent in the first half and about the same should be spent in the second. And plans to buy a MAN Roland Dicoweb have been "put on the back burner" indefinitely.

While difficult, Wyndeham says these changes were essential to its recovery. "It's not the market that's for sure," says Mr Bedson. "It's still very tough out there."

The fall in magazine paginations seems to have bottomed out, although the upturn could just be seasonal, says Mr Bedson. Despite winning a £7.5m contract to print the *British Medical Journal* from Cradley Print, magazine printing is down from the usual 70% of WPG's work to just 56%.

Commercial printing volumes have risen to compensate, but turnover is down because of price cuts. "We're doing more for less," says Mr Bedson. "But our plants are more flexible now." Direct mail is going through a very busy period, he adds.

Wyndeham is also brushing aside criticism from the GPMU that it has avoided consultation

with staff at Riverside, whose new owners have already announced they are to close the works with the loss of 50 jobs.

"We expected the new owners to relocate it locally," says Mr Bedson. "There's nothing to discuss

with the GPMU as it's not our plant."

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In brief

- Wyndeham claims a turnaround
- Interim profits up to £3m
- Restructuring programme essential

The name's the same

A few days before its results Wyndeham unveiled a new, sans serif logo and announced that from now all its subsidiary companies will carry the group name.

ET Heron is being renamed Wyndeham Heron, Hubbard is Wyndeham Hubbard, Argent Colour is to become Wyndeham Argent and so on, a reversal of the long-standing policy that when companies are acquired their original names should be kept unchanged.

But Mr Bedson says that Wyndeham has stopped short of the St Ives practice of centralised control and the complete withdrawal of local names.

No changes in staffing or man-

agement are expected, although companies are being encouraged to co-operate more and cross-sell repro, magazine and direct mail printing to the same customer, as with Wyndeham's recent £9m contract with print management group Astron.

The only management changes result from the recent promotion of Gary Lasham, managing director of Wyndeham Print Direct in Manchester, to be group sales director. WPD sales director Alan Hodgson has taken his place as managing director of the works, and in turn Beverly Darwin, formerly of Low & Bonar, is the new sales director.

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ABB trims 10,000

ABB, the engineering group that makes press controls and paper handling equipment, is to cut another 10,000 jobs from its worldwide workforce of 146,000 to cut costs by \$800m. ABB says it is aiming for a profit margin of 1.5% in 2002, but that this should reach 8% in 2005. ABB announced a raft of divestments last month but is not selling off its paper or printing divisions.

Bowne revives

Bowne & Co, the US financial printer, is back in the black. It made a net profit of \$4.6m in the third quarter, compared to a loss of \$3.7m in the same quarter last year in the wake of the September 11 terror attacks. Bowne has recently sold off a securities publishing group it owns and announced a 2.5% cut in its worldwide workforce.

AD's US buys

Avery Dennison, the label maker, has bought two packaging companies, RVL in California of L&E in North Carolina. The two companies have sales of \$3,200m and 1,200 employees between them, and make labels, tags and specialty packaging for clothing.

PMP shares fall

Shares in PMP, Australia's largest printing group, lost nearly half their value last week after a warning on margins. The price fell from 87c on Monday to 50c on Tuesday.

Capellas leaves HP

By Alex Grant

Less than a year after the two computer giants Hewlett-Packard and Compaq merged, ex-Compaq chief executive Michael Capellas has stepped down as president of HP.

Despite assurances that the resignation is voluntary and amicable, his sudden departure to "pursue other career opportunities", which could include the chief executive's job at WorldCom, has hit HP's shareprice. Shares fell from over \$28.50 to \$27.59 before recovering slightly.

"We've reached a natural transition point," says HP chairman and chief executive Carly Fiorina, who will now take sole charge of the company.

"Michael made a commitment

to see the merger through and now thanks to the hard work of the entire team we are meeting or exceeding all of our integration targets."

HP and Compaq's combined sales have sunk by nearly 10% from \$18.2bn to \$16.5bn since the takeover, but the imaging and printing division has seen sales rise 10%.

● Xerox, which cut staffing by 1,600 to below 70,000 in the last quarter, eliminated another 750 administration, engineering and marketing jobs in the US last week.

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In brief

- Capellas leaves HP
- Fiorina in complete control
- Shares fall but print sales rise

No more mill cuts: Inveresk

Inveresk, which has been forced to sell its Caldwell's mill to Klippan, says it still needs urgent recapitalisation. With merger talks underway, the group could now lose its independence by the end of the year.

Although further cuts at head office could be made now the group has gone from five mills to two, new chief executive Alan Walker says that there will not be further cuts at the remaining St Cuthberts and Carrongrove mills. "If it ain't broke don't fix it," he says.

"Once we recapitalise and repair the injuries to our balance sheet we should be able to make good progress."

"There are now no loss-making businesses left in Inveresk,

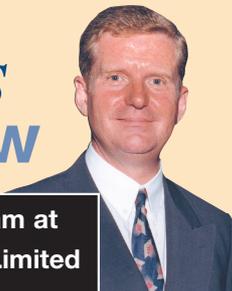
but we are still looking to refinance," says new chairman Jan Bernander, who took over two weeks ago and also chairs Klippan, which owns 24.7% of Inveresk. "The problems occurred in the past."

The group suffered a 13% fall in sales in the first six months of 2002 and made a loss of £11.5m after restructuring costs. It has debts of £21m and has recently breached the terms of its banking covenant with Royal Bank of Scotland. New bankers are being sought.

A non-executive director, Alan Cole, quit last week. Since September four directors, including finance director David Harrison and executive chairman Ken Minton, have left the group.



Business GROW-HOW



From Paul Holohan & the team at
Richmond Capital Partners Limited

CASH IS KING

I run a small screen printing business and am concerned that the business environment is becoming ever more competitive and hostile. This makes it difficult to plan and increases the risk of staying in business. I realise that effective cash management is vital. Can you suggest ways to improve cash management?

You are right – the old adage 'cash is king' is particularly relevant at present and cash control is vital to success. All areas of your business can affect cash management and all should be considered.

Make sure that long-term borrowing matches long-term assets. Getting this right may mean factoring or invoice discounting as a source of finance, or leasing or hire purchase rather than buying equipment.

Perhaps a sale and lease back of assets might be appropriate to raise cash.

You should also reduce risk by using interest-rate caps. Do you have a system for controlling foreign-exchange risks? Exporters especially need to consider this.

Get to know the decision-maker at your bank and keep in touch over your changing cashflow requirements.

Prepare a forecast and update it for actual cashflows and for changes in your business.

In time you will identify peaks and troughs. Try to create some slack to reduce risks.

You should then manage the working capital of the business. This is the blood which runs through the veins of the business. Look at your stock turnaround. Can this be reduced without affecting service to your customers?

Send sales invoices promptly and put credit control procedures in place.

Make purchase orders subject to approval procedures requiring alternative quotes to be obtained.

When did you last review overhead expenditure?

How do you ensure that your customers are satisfied?

Remember that all businesses have different cashflow characteristics, but if yours is managed well it will give you more time to run the business – and improve your decision making.

In my experience this is adversely affected – sometimes with disastrous consequences – when cashflow problems prevail.

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

Macfarlane warns of another loss

By Alex Grant

Packaging group Macfarlane has warned that it will make a loss in 2002, the second year running. Shares fell from 44p to just 38.5p, their lowest in ten years, at the news.

Despite a fall in staffing from 2,100 to 1,400 in the past two years, including a recent cut of 90 jobs in Glasgow, Macfarlane says it is still suffering from over-capacity because plans to reduce its sites from 40 to 15 are taking longer than expected.

Macfarlane had already warned in September that "the usual upturn in the second half could not be predicted with any certainty".

It now simply says this upturn "has not materialised, resulting

in pressure on sales and margins in September and October." Any significant improvement in the remainder of the year is unlikely, it adds.

The firm suffered a 40% fall in profits to £10.6m, and made a loss of £1.4m after exceptionals, in 2001 because of the cost of its failed takeover of BPI and its buy of National Packaging.

On a brighter note, the company has just announced a five-year sole supplier deal with BT, both for new products and also collecting old phones from customers for reuse or recycling.

Chief executive Iain Duffin has now taken direct control of Macfarlane's distribution arm, which has grown in recent years.

Emap does better

Emap's pretax profits for the six months to September 30 are £86m, 23% up on a year ago and bolstering hopes that British magazine paginations may be on the up.

Operating profits at its "reasonably robust" consumer magazines are up 29% and up 4% at its business-to-business titles, despite a 2% fall in sales for the latter. Emap says that its infringement of ABC rules over bulk sales, which emerged last month, is expected to have an "immaterial" effect on its figures.

● Bertelsmann, the German media, publishing and printing group, made a net loss of €384m in the third quarter thanks to writedowns. But it expects "significantly higher" sales and profits in the fourth quarter, thanks to the seasonal rush.

legal notices

Appointment of liquidators

- **Warrington Digital & Print Ltd** Printer. Liquidator: RW Keating, RW Keating & Company, 20 Winmarleigh Street, Warrington, Cheshire WA1 1JY
- **Business South Magazine Ltd** Publishing plus advertising and marketing. Liquidator: MCJ Sanders, 14 Rathbone House, 24 Tanfield Road, Croydon, Surrey CR9 1AL
- **Ceramic Photo Designs Ltd** Ceramic printer. Liquidator: MF McCarthy, Walletts Insolvency Services, Adventure Place, Stoke on Trent, Staffordshire ST1 3AF
- **Callan Publications Ltd** Magazine publisher. Liquidator: RW Woolfson, 1 Bentinck Street, London W1U 2ED
- **Co:Sign Media Ltd** Advertising. Liquidator: GW Rhodes, Begies Traynor, 2-3 Pavilion Buildings, Brighton, East Sussex BN1 1EE
- **Cream Associates Ltd** Marketing and advertising for estate agents. Liquidator: AK Thornton, Bulley Davey, 69-70 Lincoln Road, Peterborough PE1 2SQ
- **Redgrave Publishing** Publishing. Liquidators: MG

Tailby and NC Money, CBA, 39 Castle Street, Leicester LE12 5WN

Meetings of creditors

- **Copying Systems Ltd** at BKR Haines Watts, 70-74 City Road, London EC1Y 2BJ on November 13.
- **Lightfoot Reproduction Ltd** at Begbies Traynor, The Old Exchange, 234 Southchurch Road, Southend on Sea, Essex SS1 2EG on November 28 at 11am
- **Printchannel.Co, Europe Ltd**, at David Rubin & Partners, Pearl Assurance House, 319 Ballards Lane, London N12 8LY on November 13.
- **Adco Designs Ltd** at Sinclair Harris, 46 Vivian Avenue, Hendon Central, London NW4 3XP on November 19 at 4pm
- **Clerkenwell Media** at Begbies Traynor, 1-2 Raymond Buildings, Gray's Inn, London on November 28 at 10.30am
- **Datacrest Technology** at Tenon Recovery, Salisbury House, 31 Finsbury Circus, London EC2M 5SQ on November 21 at 10.30am
- **P&F Print Finishing** at Twin Oaks Hotel, Church Lane, Palterton, Heath, on November

18 at 11am

Final meetings

- **Central Print Ltd** at Saxon House, Saxon Way, Cheltenham, GL52 6QX on December 5 at 10am for members and at 10.30am for creditors
- **Fanfold Paper Supplies Ltd** at KPMG, 100 Temple Street, Bristol on December 10 at 10.30am
- **Imagine Design Ltd** at Larking Gowen, 15 Upper King Street, Norwich NR3 1RB on December 5 at 10am for member and 10.30am for creditors
- **Aspin Wood Advertising Ltd** at BDO Stoy Hayward, Kings Wharf, 20-30 Kings Road, Reading, Berkshire RG1 3EX on December 6 at 10.30am
- **Hollytree Designs Ltd** at Parkin S Booth & Co, 44 Old Hall Street, Liverpool L3 9EB on December 12 at 2.45pm
- **Westwood Publications (Westerham) Ltd** at Baker Tilley, 12 Gleneagles Court, Brighton Road, Crawley RH10 6AD on December 19 at 10.30am
- **Paperite Stationery** at Barringtons (Newcastle) Ltd, Richmond House, 570-572 Etruria Road, Basford, Newcastle, Staffordshire ST5 0SU

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