

Presspoint IPO poised to start global printing

By Gareth Ward

The company behind the Presspoint kiosks for printing newspapers on demand is to raise \$15m through an IPO, using \$12.75m to invest in its business.

PEPC Worldwide, which has developed the concept is now rolling out the payment and print units, having successfully completed a trial phase earlier this year.

There are now 80 Presspoint units in 32 countries. The company sees high traffic areas, such as airports, conference centres, hotels and cruise ships as ideal locations for the Presspoints.

Readers use a prepaid card or credit card to pay for a newspaper which is printed on the spot from a PDF file supplied by the publisher in around two minutes.

The printer is based on a Xerox engine with Dell PC and 3M materials. PEPC has added technology of its own at its factory in Holland.

The company plans to use \$3.5m of the new funds on building the Presspoint units, around \$2.5m on sales and marketing and the majority of the remainder for working capital. It says that the money raised will be sufficient to fund the company for 12 months.

PEPC has spent more than £8m on developing the concept which went to trial sites only at the start of the year. It consequently owns the 80 units delivered and has "no revenue to speak of". In the business plan, revenue will come partly through sales of the Presspoint units, sales of the prepaid cards, advertising on the colour screens of the kiosk units and a share of the price paid for each newspaper.

It has also negotiated to use a page in many of the titles for advertising it sells and also expects to sell individual articles from a database on a print on demand basis.

So far, 97 newspapers from around the world have signed up. They supply a PDF version of their paper to a central location in Holland which then prepares the paper for satellite or Internet transmission to each kiosk. It limits the size of a paper to 48pp.

The company has also signed 44 dealers around the world that are then responsible for onward sales. Maintenance is arranged locally and PEPC has support sites in Florida and Hong Kong.

gward@cmpinformation.com

In brief

- Presspoint plans \$15m IPO
- Has 80 units in 32 countries
- Dutch base for satellite transmission

Happy Xaar

Xaar says its decision to move production from Cambridge to Sweden has been vindicated by figures showing that production is at record levels, with the XJ500 printhead up 700% on a year ago.

One less for Herald

David Montgomery and 3i, the venture capital house, are reported to have fallen out of the bidding for the *Herald* newspaper titles in Glasgow, which have been put up for sale by Scottish Media Group. The former Mirror Group executive had teamed up with 3i to bid against Johnston Press, Independent News & Media, the Barclay brothers and Newsquest for the titles.

Majority stake

Friede Springer, the widow of Axel Springer, has now won a majority stake in her late husband's publishing and printing empire by acquiring a 10.4% stake from Deutsche Bank. The stake had previously been owned by the now-defunct Kirch Media.

Goss case settled

After an 18-year battle in the Chicago federal court, the case of Goss Graphics Systems v DEV Industries has been settled. Goss accused several former employees of marketing clones of its Community press by stealing drawings of the machine. Details of the settlement have not been revealed, with Goss marketing manager David Stamp saying: "We're just being very low key about it."

King set for De La Rue

By Alex Grant

De La Rue has finally found a new finance director to replace Mark Hollingworth, who left in June to join plasterboard manufacturer BPB.

The new appointment is Stephen King, the finance director at Aquila Networks (formerly Midlands Electricity) who will start at De La Rue at the end of January. Since June, group financial controller David Finnett has held the role in an acting capacity.

Like other plcs, De La Rue had been reported as having difficulty in recruiting to the job in the wake of Enron and other accounting scandals. But De La Rue spokesman Mark Fearon says: "We just wanted to make sure we had found the right person. It always takes time to recruit to this high profile job."

De La Rue warned last month that profits in the six months to September 30, due to be published in November, would be lower than expected.

agrant@cmpinformation.com

In brief

- De La Rue finds finance director
- Stephen King signs on
- Starts job at the end of January

£120m pensions shortfall at the Mirror

In a worrying echo of the Maxwell pension scandal, Trinity Mirror's pension fund is £120m in the red. Its annual report shows the net deficit on the pension fund stood at £120.1m on June 30.

Under the new FRS17 standard public companies are required to provide a snapshot of their pension scheme at the year-end.

TM insists that it will be able to meet its liabilities in the longer term. But like other plcs, it is considering whether to abolish its

final salary pension scheme and replace it with a defined contribution one.

Meanwhile, Trinity Mirror shareholder Tweedy Browne's suggestion that the national titles, which are less profitable than the regionals, should be sold off (*Printing World, last week*) has received short shrift.

Analysts have expressed surprise at the idea, although they admit that such a sale could still be forced on the company.

Trinity Mirror saw ad revenues

for its regionals fall by 2.6% last year, and in London and the south-east the decline was 12.6%. Its national newspapers' ad revenues were down 18.6%.

● St Ives, which announced annual results this week has also revealed a black hole in its final salary pension scheme, which was closed to newcomers last April. Its FRS17 disclosure shows a £37.5m deficit, although after a tax credit this is reduced to £26m.

agrant@cmpinformation.com

Murdoch sees bright side

By Alex Grant

Advertising volumes in the US and Europe are finally on the up, Rupert Murdoch told News Corporation's annual meeting.

But an IPA Bellwether report, published at the same time, shows that publishing remains pessimistic as a whole, with marketing spend down 8% in the third quarter. Only direct mail spending is higher than it was a year ago.

News Corp has found that the quarter got better towards the

end, reflecting the fact that last year's third quarter was skewed by the September 11 terror attacks in the third month.

Mr Murdoch told shareholders that income in the three months to June 30 this year was up 11% on 2001. Despite losses of \$6.3bn in 2001-2002 because of write-downs, cashflow is now at a record \$1.5bn. Mr Murdoch says that News Corp has seen "four solid months of improvement" in the US advertising market.

Mr Murdoch praised the

"excellent cost containment" at News International, which "meant we were able to weather the downturn with barely a job lost." Although circulations have held up, ad income for *The Sun*, *News of the World* and *The Times* titles dropped 12% last year and until recently cover prices have been held by a price war.

agrant@cmpinformation.com

In brief

- Murdoch upbeat on recovery
- Thinks worst may be over
- US figures improve



Managers' better skills call

David Brent, the anti-hero manager in *The Office*, may run a paper merchant rather than a printer, but the industry is still sensitive to charges that the quality of management may be to blame for its financial ills.

The DTI has just launched a study of the "effect of poor management on UK's productivity performance", led by Professor Michael Porter of Harvard University and building on multiple

studies which have found the UK to be lagging behind Germany, Japan and the US in terms of both productivity and management competence.

Although printing is not being singled out by Prof Porter's study, the *Print 21* report last year did remark on the "variable quality" of management in the industry.

Only last week the BPIF announced a management development programme. "As

the industry is mainly made up of small companies, many managers have never had the chance to benefit from formal management development," says the BPIF's Andy Brown.

"To survive at all as a manager in printing you need to be very sharp, with a combination of technical and human skills, because the competition is so intense."

agrant@cmpinformation.com

legal notices

Compulsory winding up

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

● **Select Catalogues Ltd** London Road, Amesbury, Salisbury, Wiltshire SP4 7EN on October 30 at 10.30am. Petition by AJ Regan

● **Riverview Press Ltd** 5 West Court, Enterprise Road, Maidstone, Kent ME15 6JD on November 13 at 10.30am. Petition by Harper Printing Inks Ltd

The following cases are due to be heard at Leeds District Registry, 1 Oxford Row, Leeds LS1 3BG

● **The 4 Print Services Co Ltd** 41A Bell Street, Reigate, Surrey RH2 7AQ on October 15. Petition by Perry Print (UK) Ltd acting by its liquidator

PricewaterhouseCoopers
● **A & A Printing Ltd** 43 Simmil Road, Claygate, Surrey KT10 0RU on October 29 at 10am. Petition by Customs & Excise

Appointment of liquidators

● **Maturetimes Ltd** Previous company name: **Speed 1808 Ltd** Publishers. Liquidator: SK Singla, Singla & Co, 227-228 Strand, London WC2R 1BE

● **Surasun Ltd** Printing. Liquidators: GEB Mander and RP Rendle, Baker Tilly, City Plaza, Temple Row, Birmingham B2 5AF

● **Topmarks of Manchester Ltd** Paper and print broker. Liquidators: N Henry and M

Simister, Lines Henry, 27 The Downs, Altrincham, Cheshire WA14 2QD

● **Questfield Ltd** Trade printer. Liquidator: SG Taylor, 4 Charterhouse Square, London EC1M 6EN

● **Meto Print Ltd** Printer. Liquidator: J Kelmanson, The Kelmanson Partnership, Avco House, 6 Albert Road, Barnet, Hertfordshire EN4 9SH

● **Marathon Press Ltd** Commercial printing. Liquidator: AT Tomlinson, Tomlinsons, St Johns Court, 72 Gartside Street, Manchester M3 3EL

● **Chandos Press Ltd** Printer. Liquidator: KS Girn, Gore & Co, Soane Point, 6-8 Market Place, Reading RG1 2EG

● **Lightning Ltd (t/a Quayside Print & Office Supplies)** Stationery supplies. Liquidator: AT Tomlinson, Tomlinsons, St John's Court, 72 Gartside Street, Manchester M3 3EL

● **Newplasto Ltd** Previous company name: **Plastotype Ltd** Dealer in printing trade. Liquidator: RS Gilderthorp, Gilderthorp & Partners, 22 Paul Street, Shepton Mallet, Somerset BA4 5LA

● **Barnard & Crannis Ltd** General printers. Liquidator: GG Kings, Kings, 3 College Street, St Albans AL3 4PW

Appointment of receivers

● **Graphics & Offset Plates (UK) Ltd** Supplier of plates, films and consumables to the printing industry. Receivers: AW Graham and RJ Philpott, KPMG Corporate Recovery, 2 Cornwall

Street, Birmingham B3 2DL

● **Equus Publications Ltd** Publishes journals and periodicals. Receivers: A Andronikou and L Hornan, Hacker Young & Partners, St Alphage House, 2 Fore Street, London EC2Y 5DH

Meetings of creditors

● **Revolution Print & Design Ltd** at Baker Tilly, Carlton House, Grammar School Street, Bradford BD1 4NS on October 16

● **Paperlink Office Products Ltd** at The Bonnington in Bloomsbury Hotel, 92 Southampton Row, London WC1B 4BH on October 14

● **Flair Press Ltd (t/a Spectrum Flair Press)** at the Courtyard Northampton Hotel, Bedford Road, Northampton NN4 7YF on October 16

● **Deansgate Press Ltd** at Poppleton & Appleby, 32 High Street, Manchester M4 1QD on October 21 at noon

● **Catalyst Books Ltd** at Suite 24, New House, 67-68 Hatton Garden, London EC1M 8JY on October 11

● **Beaumont Publishing (Hove) Ltd** at Begbies Traynor, 1 & 2 Raymond Buildings, Grays Inn, London WC1R 5NR on November 7 at 11.30am

Notices to creditors

● **Matt Publishing Ltd** Creditors to send claims to S Thornton, Houghton Stone Business Recovery, The Conifers, Filton Road, Hambrook, Bristol BS16 1QG by November 29

Business GROW-HOW



From Paul Holohan & the team at
Richmond Capital Partners Limited

MAKING AN EXIT

Last week we discussed the first stages of exit planning. This week we will look at the next steps in the process.

Step 3: Business Structure and Tax

The shareholders' tax position can make or break a deal. An experienced tax advisor should be part of the 'loop' to ensure that a deal structure is created which achieves the commercial objectives in a tax-efficient way.

Step 4: People Structure

The most common issue for privately owned printing businesses is the need to ensure that the business can survive without them.

The greater their success in achieving this, the more likely that a purchaser will be comfortable with the acquisition.

A gradual transfer of responsibilities must be real and not cosmetic. It is not easy, but this transition is important. A good advisor will help in developing the team whilst monitoring progress of the business.

Step 5: Building Value

Grooming is not a 'one off' but a continuous process over an agreed period of time. Momentum must be sustained.

Finally the personal aspirations of shareholders must always be balanced with the continuing development of the business.

A good grooming process can build disproportionate benefits when compared to costs.

It is a proven process that is considerably aided by an external facilitator with industry experience.

Grooming should look at all aspects of the business from marketing to production processes.

Ensure that your management team are clear on objectives and rewarded on results thus creating a positive WIN/WIN situation.

Good grooming!

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

RICHMOND
CAPITAL PARTNERS LTD

Creating Real Wealth

MERGERS • ACQUISITIONS • DISPOSALS • JOINT VENTURES

Tel: 0207 636 5491

Facsimile: 0207 436 8954

Email: info@richmondcapitalpartners.com

Web: www.richmondcapitalpartners.com

