

Bowne's savings

Bowne, the US printer, is saving \$10m this year by cutting 200 jobs, or 2.5% of the workforce, in its financial print division. A round of cuts in 2001 has already saved the firm \$70m a year, but more reductions are needed because of the 'lower volume of business generated by continuing weak capital markets'. Bowne is still the world's largest financial printer but is not refocusing on 'less cyclical' markets.

Rates ruling

Changes to non-domestic rates rules could cost business millions, claim property experts. Under current rules if business rates are miscalculated, ratepayers can have any refunds back-dated for up to five years. But now businesses can only claim back rates for the financial year in which their appeal was lodged. 'Changes in legislation have not been well publicised,' says Andy Myers of property consultancy CVS. 'Businesses need to fight back and realise that the sooner they appeal against their rateable value the better.'

First half sales fall

Technotrans' printing division's first half sales have fallen 14.2% this year, and profits are down 30% to €1.8m, despite the effect of Ipx. However, the press ancillaries manufacturer hopes to improve in the second half by targeting its products directly at printers, not via manufacturers.

Sun Chemical UK hit by Coates Lorilleux deal

By Alex Grant

The UK operations of the world's largest ink supplier, Sun Chemical recorded a loss of £34m in 2001, up from a £27m loss the year before.

The company's latest annual report shows that turnover fell from £349m to £340m in the 12 months to December 31 2001. Gross profits of £83m were wiped out by £92m of operating expenses and £24.7m of interest payable to its parent company.

This resulted in a retained loss of £34.248m after tax. Operating expenses of £92m were £10m higher than the 2000 level of £82m.

Sun Chemical declined to comment officially on the results.

"Our customers should not be alarmed by this," said a source.

"It's a paper loss related to our takeover of Coates Lorilleux." And Sun Chemical's results are not broken down according to type of ink sold, so it is not clear whether the decline in sales was in sheetfed or web sales or the result of falling prices.

But with increasing competition and price pressure in the inks market, staffing seems to be shifting to the sales front: production jobs were cut from 1,120 to 959 between 2000 and 2001. On the other hand, the salesforce increased from 298 to 342 people.

Sun Chemical was bought by Dainippon Ink & Chemicals of Japan in 1987, and gradually grew to become the largest ink supplier in the world. Sun Chemical is also a 50% shareholder of Kodak Polychrome Graphics.

Before 2000, Sun was already in first place as the country's largest ink supplier with an estimated 35-40% market share of all printing ink sales in the UK.

This grip on the market was further strengthened in January 2000 with the acquisition of Coates Lorilleux from TotalFina, which gave Sun a market share of closer to 50%.

Other inkmakers are not faring as badly. Flint Ink UK, the British arm of the US ink maker which owns Manders, made a retained profit of £7m in 2000, against a loss of £1.9m in 1999, although figures for 2001 are not yet available.

BASF has recently announced a 10% rise in Q2 profits and steady sales, and has just joined the Stoxx league of Europe's 50 largest companies, having out-

performed other German shares by 50% in recent months.

And Sun Chemical UK is clearly out of step with other markets.

Internationally, Dainippon Ink & Chemicals increased its global ink sales in 2001 from ¥472.1m to ¥516.5m, and profits rose 7.7% to ¥30.6m.

Sun Chemical's global sales rose 35% last year. Europe sales rose 24.5% to ¥221bn and profits were up 0.5% to ¥10.8bn.

Last month, Sun Chemical warned that gravure ink prices would have to go up because of a worldwide shortage of ethyl acetate, a key raw material in ink manufacturing.

In brief

- Sun Chemical's £34m UK loss
- Coates Lorilleux factor
- Competition and price pressure

Guiton creeps forward 1%

By Alex Grant

Guiton Group, the newspaper publisher in the Channel Islands, has managed to increase its first half pretax profits by 1% to £2.39m despite the advertising slowdown.

But this was mainly due to one-off savings of £116,000 from closing its unprofitable sheetfed

printing operations. Without these, operating profit was down from £3.1m to £2.5m.

Guiton sold its commercial print arm, Channel Print, to Howitt last year, and has recently closed down its book print operation the Guernsey Press, because "increased overseas competition has made an island-based busi-

ness non-viable," says chairman Frank Walker, who adds there is "no sign of a return of confidence" in the other markets in which Guiton operates.

agrant@cmpinformation.com

In brief

- Guiton makes 1% profit
- Sell-off helps figures
- Chairman wary of future

Happy days at Megaprint

By Alex Grant

Despite the advertising slump, Anglo-Dutch wide format printer Megaprint has managed to double its turnover and profit last year.

Sales rose 112% to £17.6m in 2001, and profits rose to £2.7m, about double last year's level.

Part of the company's success, says finance director David Holderton, is the fact that most of its clients are fast-moving consumer goods suppliers like

Kellogg's and Walkers, whose products are recession-proof and whose markets are always competitive.

Another factor is that Megaprint has always printed in Holland throughout its 32-year history, although about 50% of sales are in the UK.

Nowadays, printing is outsourced to a range of Dutch printers and finishing is done at a Megaprint factory in Haarlem. Although UK sales are handled

through an office in Hampton, Middlesex but there is no production here.

"The appreciation of the pound against the euro in the last two years means it is relatively cheap to print in Holland," says Mr Holderton. "We have never considered printing in the UK."

agrant@cmpinformation.com

In brief

- Megaprint doubles profit
- Anglo-Dutch firm's success
- Print production in Holland

BPI blames price rises

By Alex Grant

British Polythene Industries is blaming a steep rise in polymer prices for a 5% fall in sales from continuing operations in the first half.

Sales are down from £192.1m to £183.4m and operating profit is down from £11.6m to £10m in the six months to June 30.

Although the rises in polymer prices were initially accepted by customers, they continued for four months in a row earlier this year and proved "slower to pass on" to customers, causing cash-flow problems in July.

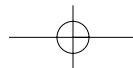
This pressure on margins should lead to a further fall in profits in the second half of the year.

Factories in Rochdale and Dublin have been closed but no further closures are envisaged.

agrant@cmpinformation.com

In brief

- BPI suffers fall in sales
- Polymer price rise blamed
- Profits warning for Q3-4



Chinese like Linx Printing

By Alex Grant

Linx Printing Technologies is continuing its expansion into China, following a 30% jump in inkjet sales to the region last year.

With China the company's largest market for inkjet products, chairman Michael Moore says the company would be working to develop further its distribution performance in all markets.

"We are actively looking for opportunities to build on our already well-established position in the rapidly growing Chinese market," he says.

Linx Printing Technologies' products are used as part of the country's booming production lines and used for marking and coding of millions of products worldwide.

Despite difficult conditions in

several markets, notably Germany, US and Japan, the group's sales were up by 2% to from £47.6m to £48.7m.

Overall group profit before tax was £5m, slightly down from the £5.2m the previous year but in line with market expectations.

In brief

- China helps lift Linx Printing
- Barcoding bonanza
- 30% jump in sales

legal notices

Compulsory winding up

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

● **ABS Litho Ltd** 42 Wates Way, Willow Lane Industrial Estate, Mitcham, Surrey CR4 4TA on October 2 at 10.30am. Petition by NGS Print Finishers Ltd

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

● **Manton Press Ltd** 37 Rushworth Street, London SE1 0RB on September 24 at 10.30am. Petition by Customs & Excise

● **Air Art Graphic Design & Print Ltd** 9D Broomhill Road, Ilford, Essex IG3 9SH on September 24 at 10.30am. Petition by Customs & Excise

Appointment of liquidators

● **DJY Design & Print Ltd** Printer. Liquidator: ML Rose, Elliot, Woolfe & Rose, Premier House, 112 Station Road, Edgware, Middlesex HA8 7TT

● **Welton Print Ltd** Previous company name: **Tachbrook Technical Publications Ltd** Commercial printers. Liquidator: MT Coyne, Poppleton & Appleby, 141 Great Charles Street, Birmingham B3 3LG

● **RS Digital Media Ltd** General printer. Liquidator: R Valentine, Valentine & Co, 4 Duncastle Court, 14 Arcadia Avenue, London N3 2HS

● **HMC High-Class Mailing**

Corporation Ltd Liquidator: RJ Ronnes, ThorntonRones, 418-420 Cranbrook Road, Gants Hill, Ilford IG2 6HW

● **Smartprint on-Line Ltd** Printing and packaging machinery. Liquidator: GAM Simmonds, Crown House, 217 Higher Hillgate, Stockport, Cheshire SK1 3RB

● **Rose Digl Graphics Ltd** Reprographics. Liquidator: DP Hudson, Begbies Traynor, The Old Exchange, 234 Southchurch Road, Southend-on-Sea, Essex SS1 2EG

● **Oliver Brooks Ltd** Publishes journals and periodicals. Liquidator: A McTear, McTear Williams & Wood, 90 St Faiths Lane, Norwich NR1 1NE

● **Pixel Colour Ltd** Printer. Liquidators: J Taylor and DP Hudson, Begbies Traynor, The Old Exchange, 234 Southchurch Road, Southend-on-Sea, Essex SS1 2EG

● **Imagination Designs Ltd** Printer. Liquidator: TA Clunie, SG Bannister & Co, 40 Great James Street, London WC1N 3HB

● **Colour Central Print Ltd** Printing company. Liquidators: DL Cockshott and RH Barker, Baker Tilly, Carlton House, Grammar School Street, Bradford BD1 4NS

Meetings of creditors

● **U4Print Services Ltd** at 1&2 Raymond Buildings, Grays Inn, London WC2R 5NR on September 18 at 11.30am

● **The Riverhead Group Ltd** (t/a **Amerga Graphics, Horley Digital, Riverhead Press, Finnere Press and Horley Press**) at Baker Tilly, Hanover House, 18 Mount

Ephraim Road, Tunbridge Wells, Kent TN1 1ED on September 10

● **Parprint Ltd** at 43-45 Butts Green Road, Hornchurch, Essex RM11 2JX on September 23 at 11am

● **Keldia Printing Company Ltd** at Hacker Young & Partners, St Alphage House, 2 Fore Street, London EC2Y 5DH on September 26 at 11am

● **JP Charles (Binding Systems) Ltd** at 43-45 Butts Green Road, Hornchurch, Essex RM11 2JX on September 16 at 10.30am

● **Carlton Barclay** at 84 Grosvenor Street, London W1K 3LN on September 17 at 10am

● **Puzzle Repro Ltd** at Sinclair Harris, 46 Vivian Avenue, Hendon Central, London NW4 3XP on October 1 at 4pm

● **The 4 Print Services Co Ltd** at Le Meridian, London Gatwick, North Terminal, Gatwick Airport, West Sussex RH6 0PH on September 13

● **Universal Pictorial Press & Agency Ltd** at 1 Riding House Street, London W1A 3AS on September 18 at 10am

● **Smartprint on-Line Ltd** at Simmonds & Co, Crown House, 217 Higher Hillgate, Stockport, Cheshire SK2 3RB on September 16 at noon

● **Chandos Press Ltd** at Soane Point, 6-8 Market Place, Reading, Berkshire RG1 2EG on September 16 at 10.15am

Notices to creditors

● **Soho Publishing Ltd** Creditors to send claims to NH Sinclair, Kroll Buchler Phillips Ltd, 84 Grosvenor Street, London W1K 3LN by November 20

Business GROW-HOW



From Paul Holohan & the team at Richmond Capital Partners Limited

ACQUISITION TARGETING AND EVALUATION

As a company keen on expansion, we are considering a number of acquisition prospects which all seem to be more or less attractive candidates. How do we pick the best one and how do we make an approach?

The short answer to the question is to "compare like with like."

The key to researching for acquisition opportunities is to have a clear strategic vision. This is the foundation stone and the necessary check on your actions. Take time out to consider your requirements in detail and then stick to them and only consider buying if the company meets these criteria.

To help you evaluate each prospect objectively, create a list of characteristics that make candidates attractive. For example you may want a company with a specific turnover/profit range, or producing certain products or operating in a certain geographical region. Once you have a list of criteria, give each a weighting according to its importance (totalling 100%).

Next give each prospect a rating per characteristic from 1-10 (10 being the highest). For example if the company is especially strong in corporate culture, you may give this particular target company a maximum 10.

Multiply the weights and ratings and then total them up to arrive at a score for each prospect. You can now objectively rank your prospects.

Don't get carried away and buy for buyings sake - it really won't work. The moral is "if in doubt - don't!".

Other issues worth remembering are:-

- Carry out the evaluation in group sessions. This helps to maintain objectivity and also adds weight when the proposal goes to the board for the final sanction.
- Don't overlook joint ventures. You may not find the right prospect initially or the market you desire to enter may be full of risk. Consider the joint venture option - it is growing in importance around the world and, in many ways, may be better than acquisition.
- Similarly you could develop your own facilities rather than obtaining them through a joint venture or acquisition. This is called 'organic growth'. The issues here are:-
 - Geographical Location
 - Risk - all routes have risks, but evaluate them!
 - Time Horizons - can you wait?
 - Core Competence - do you have it? If not how long will it take to develop?
 - Management Skills - do you have the necessary skills already?
 - Cost
 - Fixed Assets - purchasing them won't bring you business automatically.
 - Market Conditions

There is no definitive route to successful acquisition. There are many questions to be asked and answered by you and these guidelines are in no way exhaustive. Whilst they may aid you in your deliberations, it may pay you to seek knowledgeable advice once you have completed the initial evaluation for yourself.

Good hunting!!

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

