

Paarl Media acquires Print24, Paarl Post

Paarl Media Group has acquired Print24 and Paarl Post as part of its programme to enhance the core printing facilities available to clients, it was announced yesterday, Monday, 2 June 2008. Both businesses will be housed as a collective grouping under the name of "Paarl Coldset".

Print24 encompasses the newspaper printing facilities of Media24 and includes modern newspaper printing plants in Johannesburg (City Deep), Cape Town (Paarden Eiland), Bloemfontein, Port Elizabeth and Potchefstroom.

The acquisition of Paarl Post from Media24 and The Retief Family Trusts includes the newspaper printing facilities in Paarl but excludes the newspaper publishing housed in Paarl Post Media. The Retief family will retain their interest in Paarl Media Holdings and will acquire an interest in Paarl Coldset.

Process of due consideration

Non-executive chairman of Paarl Media, Lambert Retief, commented that the acquisition followed a process of due consideration towards the requirements of clients and the characteristics which currently define the Paarl Media Group. "Paarl Media Group is a dedicated printing group that will be considerably strengthened by the addition of Paarl Coldset. The intense focus which characterises the current Paarl Media Holdings commercial plants will be retained as the management of the individual coldset printing plants will be empowered and incentivised to optimise the performance of their business unit in the best interests of our clients."

The acquisitions are subject to regulatory approvals (to the extent required) and will see the Paarl Media Group offer an even broader spectrum of print services, which includes high volume publication gravure at Paarl Gravure, web offset at Paarl Web and Paarl Web Gauteng, high-end sheetfed at Paarl Print, books at Paarl Print and coldset for both newspaper or commercial requirements at the various Paarl Coldset plants.

The group offering will continue to be performed through individual factories dedicated to the latest and most efficient technology in their specific fields. Clients will, in addition to the high end quality, personal service and aggressive lead time benefit from an extensive national service network which offers unlimited distribution possibilities.

"Develop and commercialise"

Hein Brand, MD of Media24, expressed the motivation for the disposal: "Print24 was separated from newspaper publishing Media24 in 2007 to develop and commercialise its core print competencies. The disposal to Paarl Media Holdings, where Media24 has a majority interest, is a natural extension of this process. The Paarl Media Group as a purely print focused group is ideally situated to extract the maximum potential from both Print24 and Paarl Post through its entrepreneurial flair."

The transaction, totaling R1.35 billion, will see in excess of 500 employees of Print24 and Paarl Post joining the Paarl Media Group. The management and technical teams of the combined business units will share their collective experience to ensure best practices throughout the Group.

"A shared vision of service towards clients, leading technology and skilled personnel makes Print24 and Paarl Post easy to assimilate into the Paarl Media Group. Opportunities to recapitalise Paarl Coldset are being investigated to ensure that the technology and capacity represent a competitive advantage for existing and prospective clients involved in both retail and newspaper publishing."

"In addition, the acquisition of the plastic wrap distribution business of Media24, Infopak, is being actively pursued to ensure an even wider geographic presence and distribution network." added Stephen van der Walt, CEO of Paarl Media Holdings "This sequence of events adds yet another very exciting dimension and chapter to Paarl Media's evolution."

The effective date of both transactions will be 1 July.

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