

Document 0467

[20467001]

Pierre Peladeau , a Canadian newspaper publisher little-known in the U.S. , figures to become a big player in North American printing - and his ambitions do n't end there .

[20467003]

The purchase , expected to be completed by year end , will make Quebecor the second-largest commercial printer in North America . behind only R.R. Donnelley & Sons Co. , Chicago .

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The printing customers that Quebecor will gain through Maxwell Graphics include the Sunday newspaper supplement Parade , Time , Sports Illustrated and TV Guide .

[20467005]

But the transaction is just Mr. Peladeau 's latest step in a larger design : to build Quebecor through acquisitions into an integrated paper , publishing and printing concern with a reach throughout North America .

[20467007]

Analysts say Quebecor 's purchase is part of a trend toward consolidation in the North American printing industry .

[20467008]

Along with Donnelley , says Jacques Massicotte , an analyst with Nesbitt Thomson Deacon Inc. in Montreal , " Quebecor has positioned itself as one of the two key players . "

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He adds : " I think this is a great strategic move for Quebecor .

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They are buying an operation that is running well . "

[20467011]

Mr. Peladeau says he is n't trying to catch up to Donnelley , which has annual sales of over \$ 3 billion .

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" Size does n't matter , " Mr. Peladeau says .

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" What counts is the bottom line . "

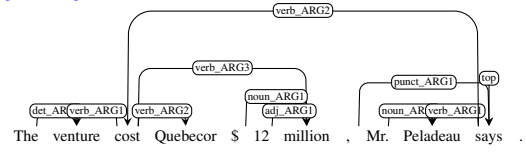
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Some of Mr. Peladeau 's ventures , including an earlier push into the U.S. market , have n't paid off on the bottom line .

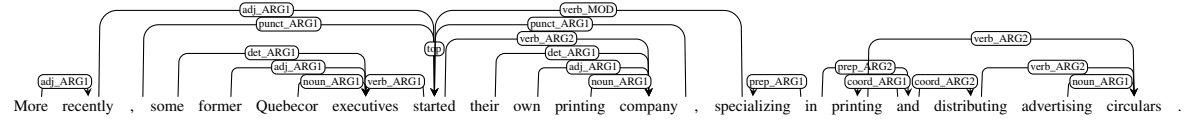
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Quebecor started the Philadelphia Journal , a daily tabloid , in 1977 and closed it three years later .

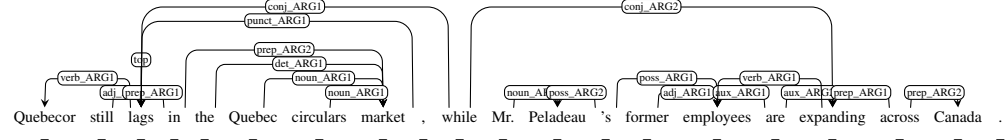
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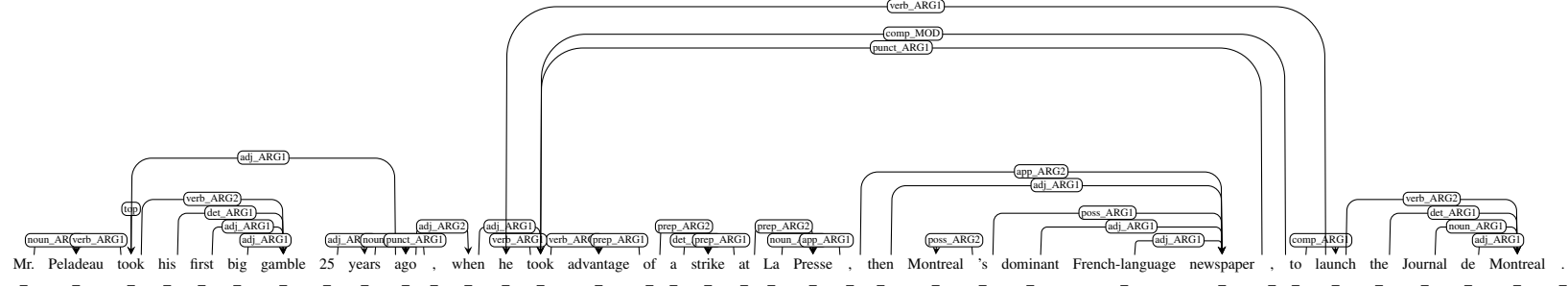
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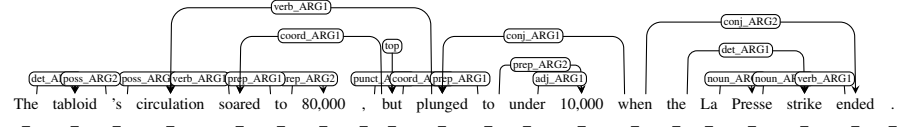
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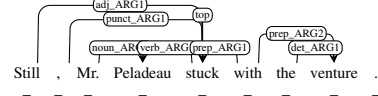
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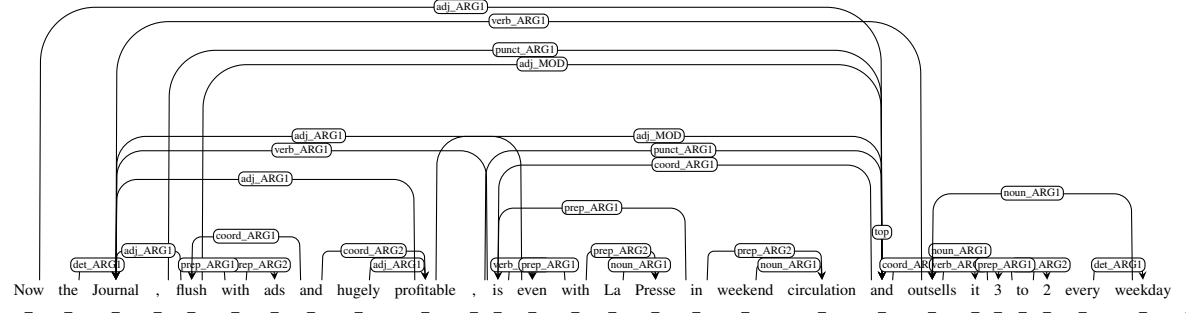
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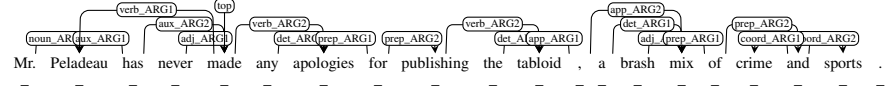
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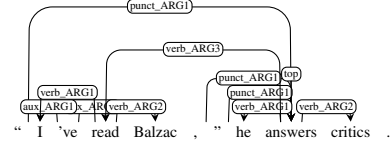
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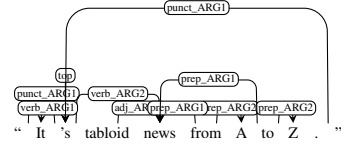
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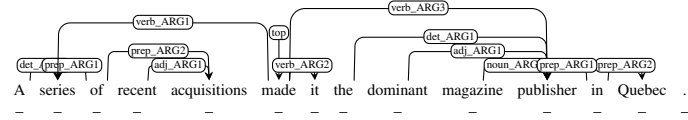
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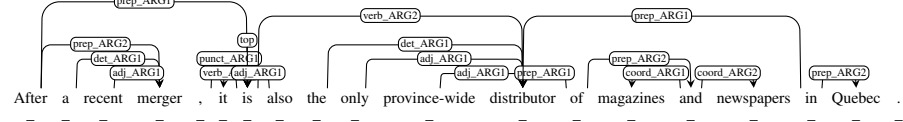
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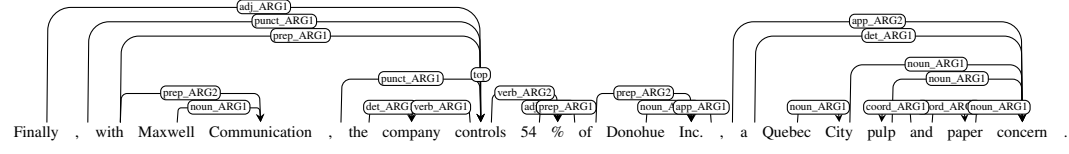
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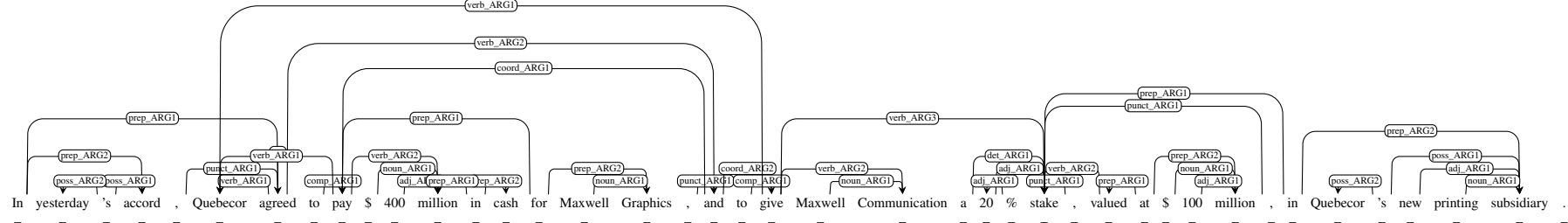
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The new , as yet unnamed , subsidiary will combine Quebecor 's existing printing unit and Maxwell Graphics .

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It will have 61 plants from coast to coast and \$ 1.5 billion in annual sales .

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Quebecor will own 57.5 % of the new subsidiary .

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Caisse de Depot et Placement , the Quebec government pension-fund agency , will pay \$ 112.5 million for the remaining 22.5 % stake in the printing operation .

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Pierre-Karl Peladeau , the founder 's son and the executive in charge of the acquisition , says Quebecor has n't decided how it will finance its share of the purchase , but he says it most likely will use debt .

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The Maxwell deal is Quebecor 's second big printing acquisition in just over a year .

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Last October , Quebecor bought 23 Canadian printing plants from BCE Inc. , a Montreal telecommunications , manufacturing , energy and real estate company .

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That purchase doubled Quebecor 's annual printing revenue to \$ 750 million .

[20467039]

Maxwell 's sale of its U.S. printing unit was expected , the last major business to be disposed of in a major reshuffling of assets .

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In London trading yesterday , Maxwell Communication shares rose nine pence , to 216 pence ( \$ 3.41 ) .

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In Montreal , Quebecor 's multiple voting Class A stock closed at CS 16.375 ( US\$ 13.94 ) , down 12.5 Canadian cents .

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Quebecor Class B stock closed at CS 15.375 , up 62.5 Canadian cents .

[20467045]

Craig Forman in London contributed to this article .