

The Straits Times, Singapore, 17 July 1936, p.7

NEWSPRINT FUSION

BOWATER'S NEW INTEREST

CONTROL OF EDWARD LLOYD ACQUIRED

A fusion of the interest of Bowater's Paper Mills Ltd and Edward Lloyd Ltd has been brought about through the acquisition by Bowater's Paper Mills from Allied Newspapers Ltd of over 80 per cent of the ordinary share capital of the Edward Lloyd Investment Co Ltd.

Edward Lloyd and Bowater group of companies are the two leading newsprint manufacturers in Europe, the combined annual output of their mills being in excess of 500,000 tons of newsprint.

Important Economies

The mills of Edward Lloyd are situated at Sittingbourne and Kemsley, Kent, while Bowater's own mills are at Northfleet, Kent, and Ellesmere Port, between Manchester and Liverpool.

The acquisition, it is believed, will result in important economies, particularly in relation to the costs of distribution and transportation.

As a result of the fusion, Lord Camrose, Lord Kemsley and Lord Iliffe will retire from the board of Edward Lloyd Ltd and the Edward Lloyd Investment Co, of which companies Mr Eric V Bowater will become chairman, Mr Percy Denson, who for many years has been managing director of Edward Lloyd, will continue to act in that capacity and will join the board of Bowater's Paper Mills and will be appointed vice-chairman of the company and of Edward Lloyd and Edward Lloyd Investment Co.

Capital Details

The Edward Lloyd Investment Co has an authorised and issued capital of £1,000,000 and holds the whole ordinary share capital of Edward Lloyd Ltd, amounting to £1,300,000 in £1 shares; the latter company has also in issue £1,200,000 in 7 per cent cumulative preference shares of £1 each and £1,000,000 in 5½ per cent second cumulative preference shares of £1. The investment company has outstanding £3,000,000 of 4½ per cent guaranteed first debenture stock, which is guaranteed by the controlling company – Allied Newspapers.

Bowater's Paper Mills has a total authorised and issued capital of £1,300,000 in £1 shares, of which £500,000 is in ordinary, £500,000 in 6½ per cent cumulative preference and £300,000 in 7½ per cent cumulative participating preference. There is also £1,000,000 of 4½ per cent debenture.

Bowater's Paper Mills owns the entire ordinary capital (£200,000 in £1 shares) of W V Bowater and Sons Ltd, and directly or through that company the ordinary capital of Bowater's Mersey Paper Mills, and all the shares of Bowaters (Australia) Ltd, and the Bowater Paper Co, Inc (of New York).