

## BUSINESS NEWS

## Hyder cautious on payout

By Alistair Osborne

HYDER, the multi-utility formed from the integration of Welsh Water and Swalec, yesterday said that it was keeping its dividend policy "under review" because of the uncertainty surrounding regulatory price reviews.

The decision sent the shares down 24½p to 980p. House broker Dresdner Kleinwort Benson cut its dividend forecast and now expects real dividend growth of 5pc a year instead of 8pc and a sector average of 7½pc.

The company is deferring until April 6 the payment of this year's 32.7p final dividend to avoid ACT problems, but shareholders get an extra 1.5p payment for waiting.

Chief executive Graham Hawker said Hyder faced two regulatory reviews in 2000 on water pricing and electricity distribution.

"Given the uncertainty, reviewing the dividend policy is what any prudent board would do," he added.

An analyst said: "Hyder is not in a strong position for a tough review, the balance sheet is looking pretty stretched." Gearing, after providing in full for the group's windfall tax liability,

was 184pc at the end of March.

Hyder posted a 19pc fall in pre-tax profits to £168.5m, struck after a £40m charge, mainly for combining its utility businesses into a single management structure. After a £282m windfall tax provision, the group incurred a net loss of £127m.

Investment totalled £276m, two-thirds of which was for environmental improvements. In Wales it now has 13 Blue Flag beaches.

Mr Hawker said profits would have been £19.1m better, but for the costs of marketing its new gas services, preparing for competition in the electricity market and upgrading computers for the millennium date change.

Hyder has won contracts to supply 400,000 gas customers. It now supplies roughly a quarter of its customers with water, electricity and gas.

"It shows the multi-utility idea is working," said Mr Hawker, who revealed he had also had talks to supply telecom services.

Non-regulated businesses improved profits from £32.6m to £47.8m, contributing 16pc of profits before interest and tax.



Life's a beach: Hyder chief executive Graham Hawker checks the coast is clean.

## Staveley starts shake-up after fall into red

By Nina Montagu-Smith

STAVELEY Industries, the engineering and salt-producing group, is conducting a strategic review after posting a £74.1m full-year, pre-tax loss.

Chief executive Chris Woodwork, who has been with the company for just one month, said the pre-tax deficit reflected a £79.6m loss on the disposal of the group's former Chronos Richardson and Weigh-Tronix businesses to man-

The charge also included redundancy costs at the former Chronos Richardson business, settlement of litigation over a 10-year contract in the service division, and surplus property and assets provisions.

However, profits before tax and exceptional charges, tumbled from £21.3m to £8.8m, on sales marginally lower at £394m.

Mr Woodwork said the group had been hit by the

## Hambros soars to £99.2m

By Nina Montagu-Smith

HAMBROS, the veteran investment bank that is in the process of being broken up, yesterday posted a full-year pre-tax profit of £99.2m, against £64.7m last time.

Profits were boosted by a £19.6m gain on disposals, including the sale of the group's former banking business.

Sir Chips Keswick, the chairman, said that the merger of Hambros' 51pc-owned estate agency business, Hambro Countrywide, was on schedule to become effective on

## Market in SE sets the pace for rise in house prices

By Charlotte Beugge

HOUSE prices in England and Wales rose by 9.4pc over the year to the first quarter, says the Land Registry.

However, transactions over the same period fell by 3.7pc. In Greater London, transactions for the year to March were 26,745 against 28,043 for the year to March 1997. The shortage of properties last year meant that the average price paid for a home in the capital last year was £121,813 against £107,953.

The figures show that the

east Lincolnshire. The cheapest place to buy a home in the first quarter of this year was in Hull, where a typical home cost £34,531. London was the most expensive place to buy a home — and the priciest London borough was Kensington & Chelsea where a typical home cost £287,592.

The Land Registry's review of 1997 showed that the highest volume of sales was in the £50,001 to £60,000 bracket compared with the

## Donovan's beef with Shell on-line

HIGH court writs have been filed against Shell UK by independent marketing man John Donovan. Through his company, Don Marketing, he claims that in 1989 he was the brains behind Shell's Smart Card scheme.

Donovan is alleging a breach of confidence and breach of contract and has also filed a separate writ for libel. He is talking of "multi-million pound" damages. Suffolk-based Donovan is publicising his gripes on two elaborate and colourful internet websites, don-marketing.com and shell-shareholders.org. He has also decided to book adverts in the marketing press.

A spokesman for Shell UK says: "The matter is being strongly contested. It is not appropriate to comment further."

## Snowden pipped at the post

KARL Snowden, the heaviest hitter in corporate affairs at Allied Dunbar, has survived an appearance on Channel 4's afternoon quiz show Fifteen-to-One. The trivia buff was nominated by his 15-year-old son and only found out when the producers sent him an invitation to audition. He squared up well to the programme's mildly frightening quizmaster William G Stewart, finishing second on the show but failing to qualify for this year's final.

## Hart forced to climb down

THE celebrations have been cancelled in the Adam Hart household. The Pél Hunt corporate financier visited October's Singer & Friedlander Company Investor Show and entered a competition to predict the three exhibitors with the best-performing share prices

## City Diary



Departed: Jane Cramp

## Cramp goes overboard

MORE intrigue at LLP, the recently floated Lloyd's List publishing company. Chief executive David Gilbertson has announced that fellow director Jane Cramp, head of its reference and publishing division, has left "to pursue other interests". She was at the company for 10 years and her abrupt departure has mystified staff. LLP declined to comment. Meanwhile, Gilbo has yet to choose the next editor of Lloyd's List. An announcement is imminent.

over the next six months. He was duly contacted by Singers and told he had won. On the morning of the presentation earlier this week, he was told that there had been a counting error and that the winner was the aptly named Brian Patient, a former Branstons & Gothard fund manager. Luckily, Hart is not keen on keeping fit and was happy not to win — the first prize was a pair of climbing boots. "I think they are relieved that a corporate financier did not win it," says Hart.

## Foreign to the fore

THE City foreign exchanges will be quieter than normal tomorrow. Sixty of its

leading lights are off to play golf in Ireland to raise money for charity. The event, which raised £35,000 last year, is organised by Dubliner Frank O'Neill, a heavyweight director at Harlow Butler. Readers will recall that six months back O'Neill went on a crash diet shedding 3st in as many months. As expected, half of it has now returned. "With all the Guinness, this weekend won't help my waistline either," he says.

## Rascal's costly rooftop capers

LAURA Frost, Bloomberg's erstwhile insurance correspondent, has moggy trouble. Rascal was capering on the rooftop of Frost's Victorian warehouse home, and fell off, breaking a leg. After an emergency operation, the cat proceeded to pull out the setting pins, and the vet insisted on a specialist. As Rascal was uninsured, Frost has paid £2,000 to put her together again. "She cost me £10," says Frost.

NATIONWIDE boss Brian Davis yesterday experienced the perils of the early morning live interview. "In a word," asked Paul Lewis, wearing his Radio 5 hat, "in a year from now will you be chief executive of Nationwide plc?" Davis replied: "I very much hope so." It was, of course, all a terrible mistake. "I'd had problems with the earpiece and didn't hear them say plc," he insists.

## All work and no play

WORK instead of entertainment at Scottish Hydro, where the results clashed with Scotland's defeat against Brazil. Chief executive Roger Young and finance director John Gray were among the handful of Scots who chose not to tune in, prompting the inevitable comment from Gray: "I hope the result is as good as this one."