6 4 THE TIMES Saturday December 13 2008

Need to know

Economics

UK jobs: More than 3,000 jobs
were axed across the UK yester-
day as banks, retailers, media and
construction groups braced for a
grim Christmas and a tough new
year. Santander, the Spanish bank,
cut 1,900jobs at its British sub-
sidiaries Abbey, Alliance & Leices-
ter ana* Bradford & Bingley while
the axe also fell on collapsed retail-
er Woolworths, whose administra-
tor Deloitte has laid off 700 at it's
EUK distribution business.
Page 62

UK currency: Sterling hit a new
record low against euro and a bas-
ket of currencies. The euro rose
more than 0.8 per cent during Fri-
day to a record of 89.84 pence.
Trade-weighted sterling fell to
78.9, the lowest level on daily Bank
of England records dating back to
mo.

US retail sales: A record 14.7 per
cent fall in petrol sales helped to
drag US retail sales down for the
fifth consecutive month in Novem-
ber, the longest period on record.
Overall sales fell by 1.8 per cent,
compared to a 2.9 per cent drop in
November. Sales excluding cars
fell by 1.6 per cent, after a 2.4 per
cent drop the previous month. The
decline was more modest than the
2 per cent drop forecast by econo-
mists, but the weak figures provid-
ed no substantial relief from the
groom over the outlook fdr the US
economy. •

Japanese stimulus: Taro Aso,
Japan's Prime Minister, an-
nounced a Y23 trillion (£169 bil-
lion) economic stimulus package
in a final attempt to rescue the
world's second-biggest economy
from its sharpest recession since
the Second World War. Mr Aso's
plan is aimed at "protecting basic
livelihoods". Page 73

US wholesale: Figures from the
Labor Department show US
wholesale prices fell 2.2 per cent in
iNovember amid plunging energy
prices. The fourth monthly drop
followed a decrease of 2.8 per cent
in October and 0.4 per cent in
September.

US consumer sentiment: The

Reuters/University of Michigan's
index of US consumer confidence
rose to 59.1 from November's 55.3,
the highest since September. US
consumer sentiment improved in
December, boosted by falling pet-
rol prices and shop discounts.
Chinese retail: China's annual
retail sales growth slowed to
zc-Sper cent in November from
22 per cent in October, official
figures showed. This was the low-
est increase since February when
sales rose by 19.1 per cent.

Banking & finance

Standard Chartered said that it
increased its holding in its Indian
securities firm to 74.9 per cent, in
line with terms agreed when it
bought the company, and would in-
vest $4.5 million (£3.01 million) in
\rre unit. Standard Chartered
bought 49 per cent of UTI Securi-
ties in January for $36 million and
renamed it Standard Chartered-
STCI Capital Markets.

Halifax: The UK bank, which is
the process of being taken over by
lioyds TSB, announced a shake
up of its current account charges.
The bank unveiled a new Reward
account which will impose a daily
fee of £1 for customers who use an
arranged overdraft, or £5 daily for
an unarranged overdraft. It has
1GM 1GM

World markets

FTSE 100
Close 4,280.35

Sep Oct Nov Dec

Eurofirst 80
Close 3,060.58

6,000

5,000

4,000

3,000

2,000

Dow Jones

Midday 8,496.11

Sep Oct Nov Dec

Nikkei

Ik

- 4,500

- 4,000

V - 3,500

- 3,000

i i • i - 2,500
Sep Oct Nov Dec

_ I - .

12,000

11,000

10,000

9,000

8,000

7,000

14,000

12,000

10,000

8,000

6,000

The day's biggest movers

Company

Omega International Agrees management buyout

Change
+62.7%

Travis Perkins Reassures on annual earnings +6.7%

Aggreko Upbeat trading update +4.2%

Northern Foods Shore Capital raises rating to "buy" +1.7%
GlaxoSmithKline Positive test results +0.2%

Standard Life Morgan Stanley downgrages to "underweight" -4.9%
WS Atkins Dresdner cuts to "reduce" from "hold" -8.7%

Rightmove Connells places 2 1 million shares -11.3%

Man Group Negative comments from Moody's -15.5%

HBOS Reports rising bad debts -23.0%

scrapped all other penalty interest
rates and charges. The new over-
draft charges will be rolled out
throughout next year. Page 67

Deutsche Bank: One of the Ger-

man bank's most prominent trad-
ers is sitting on a $1 billion
(£670 million) loss. New York-
based Boaz Weinstein, who co-
heads the bank's global credit trad-
ing business, made the loss in the
disruption caused by Lehman
Brothers' collapse, but it could be
eradicated or reduced when it re-
ports its fourth-quarter figures.
The bank reported a €435 million
profit in the third quarter.

Construction

property

&

Rightmove: The property search
website operator, said that Con-
nells, the estate agency, sold
21.2 million shares in the company
at 155 pence each on Friday, about
16 per cent discount to their clos-
ing price on Thursday, making the
price about £32.9 million.
MJ Gleeson: The UK urban re-
generation company has an-
nounced a 78 per cent reduction in
its headcount as it cuts costs in re-
action to the property market
downturn. The company will cut
its workforce to 50 from 224, re-
ducing its annual payroll to
£3.5 million from £12 million. Di-
rectors will also take a pay cut.
The cuts exclude its profitable
Powerminster unit.

Lonrho: The UK-based conglom-
erate with various interests in
Africa, said that its e-Kwikbuild
unit received two contracts worth
$5 million (£3.34 million) for pre-
fabricated buildings in Angola. It
said that the first contract, worth
$4.5 million, was from Kimbo Lim-
bombewa, a non-governmental or-

ganisation, to build a school, the
second was from Sul Engineeria
for buildings near Luanda.

Consumer goods

Omega International: The kit-
chen furniture group, has agreed a
£30.5 million management buy
out deal.

Engineering

US carmakers: President Bush
threw an eleventh-hour lifeline to
America's stricken car industry
after being faced with the collapse
of the country's iconic and once-
mighty auto manufacturers. Aban-
doning his longstanding objection
to using part of the $700 billion
Wall Street rescue fund to help
save Ford, General Motors and
Chrysler, Mr Bush appeared ready
to reverse course after Republi-
cans killed off an emergency car in-
dustry rescue on Thursday.
Page 68

Honda: The No 2 Japanese car-
maker said that it is making more
production cuts in North America
as it adjusts to lower demand. Hon-
da is lowering production by an-
other 119,000 vehicles, bringing an-
ticipated production for its fiscal
year which ends March 31 to
1.3 million cars and light trucks.
Honda has cut production by
56,000 units this fiscal year.
Charter International: said that
it will achieve underlying earnings
for 2008 in line with the expecta-
tions.

Armor Designs: has won its first
export order, a deal to provide
body armour to a police force in
Latin America. The deal clears the
way for more international sales.
The company, which did not pro-
vide any financial details, said that

it meant that Armor Designs now
has full export licensing registra-
tion and compliance.

Health

Novartis: The drug company said
that the first Phase III results for
its FTY720 drug showed superior
efficacy to a current standard of
care for patients with relapsing
multiple sclerosis. Regulatory sub-
missions for the drug in the
United States and the European
Union remain on track for the end
of 2009.

Pfizer: The world's largest phar-
maceutical company, said that it
will cut 700 jobs in France out of
its total French workforce of 3,000
as part of the US drugmaker's glo-
bal reorganisation. The New
York-based company, said that the
cuts would be made on a volun-
tary basis and would concern both
its sales force and main office staff.

Industrials

Bayer: The German healthcare
and chemicals company would
continue to target an increase in
underlying earnings next year
even though the economic envi-
ronment is worsening, weighing
particularly on its plastics and
foams business, Werner Wenning,
the chief executive, said. Bayer still
plans to increase earnings before
interest, taxes, depreciation and
amortisation, adjusted for special
items, in 2009.

ArcelorMittal: The world's larg-
est steelmaker, plans to cut a fur-
ther 650 jobs in Belgium on top of
the 800 cuts it announced earlier
this week. ArcelorMittal's plant in
Ghent would shed production and
maintenance jobs over the next
three years, a plant spokesman
said. The company, which em-
ploys 5,200 people there, said that
it would seek to avoid compulsory
redundancies.

Leisure

Las Vegas Sands: The inter-
national casino owner is cutting
more than 200 jobs from its Vene-
tian and Palazzo casino-hotels on
the Las Vegas Strip as part of an ef-
fort to save $100 million (£67 mil-
lion) annually throughout the com-
pany. Ron Reese, the Sands spokes-
man, said that the company will
announce the layoffs, which
amount to about 2 per cent of the
two casinos' 10,000-strong work
force, on Friday.
RoadChef: Delek, the Israeli
property group that acquired the
motorway services operator in
March last year for £425 million,
confirmed that it intended to seek
a minority equity partner, but re-
futed any suggestion of an out-
right sale.

Media

Channel 4: The UK commercial
broadcaster will find out in the
next six weeks whether it is likely
to be privatised, forced into mas-
sive cuts, or bailed out, possibly by
means of a merger with part of the
BBC. Ministers are giving serious
consideration to a merger between
Channel 4 and the BBC's commer-
cial arm — an idea that is winning
some support as an alternative to
handing over £100 million a year
of cash from the £3.4 billion BBC li-
cence fee. Page 70

United Business Media: The

publishing and exhibitions group,

reiterated that 2008 results should
be in line with market consensus
but said it would cut 350 jobs in
preparation for a difficult 2009.
The company said the market ex-
pects sales of £870 million to
£880 million and earnings per
share of 55p to 57p.

Natural resources

Commodity prices: Goldman
Sachs has reduced its commodity
price forecasts, citing a collapse in
global economic growth and de-
mand because of the credit crisis.
The US bank which earlier this
year predicted an oil price spike to
$200 a barrel now expects crude
to average $45 a barrel next year.
Forecasts for industrial metals alu-
minium and copper traded on the
London Metal Exchange were cut
to $1,410 and $2,950 a tonne next
year from $2,310 and $5,230.

Anglo American: The mining
group is expected to announce a
$4 billion (£2.7 billion) cut in capi-
tal expenditure next year as it low-
ers production to cope with a drop
in demand for metals. The com-
pany is likely to slow expansion in
Chile, .Brazil and South Africa
after a collapse in commodity pric-
es. It is looking to almost halve its
$9 billion planned capital expendi-
ture budget. A statement will be
made on Wednesday. Page 71

Royal Dutch Shell: The oil com-
pany's Dutch pension fund has fall-
en into deficit as share market tur-
moil knocked 40 per cent off the
fund's value, forcing the oil major
and employees to increase contri-
butions. The fund said that its
funding ratio was 85 per cent at
the end of November, down from
180 per cent at the end of 2007. A
Dutch pension fund manager esti-
mated the company would need
around €2 billion to bring the fund-
ing ratio to 100 per cent.

Retailing

John Lewis: The high street
stores group reversed double digit
sales losses this week after the
Government's 2.5 per cent cut in
VAT kicked in. While weekly sales
at the department store chain con-
tinued to fall, down 6.6 per cent, it
was less than the previous three
weeks when trade has tumbled
between 13 and 14 per cent. Sales
across the partnership, which in-
cludes the Waitrose supermarket
chain, fell by a 4.2 per cent.

Support services

Aggreko: The Glasgow-based
temporary power provider, said
that demand for energy in develop-
ing countries would help push
profits ahead of expectations. Ag-
greko said sales at its International
Power Projects business, which
provides long term-power genera-
tors to countries with a shortfall in
supply, would rise by 51 per cent in
the fourth quarter.

Travis Perkins: said that trading
across both trade and retail divi-
sions remains broadly in line with
its view of the market and that it
expects annual earnings to be in
line with market expectations.
Page 65

Technology

Nintendo: November sales of
Wii, the games console produced
by Nintendo, more than doubled
in the US from the same period
last year to a record-breaking two
million units. The figure was a

record for any console in any
month excluding last December,
and eclipsed rival machines, ac-
cording to NDP Group, the
market researcher. Page 73

SmartFOCUS: The UK provider
of marketing software, gave warn-
ing that its full-year results would
be below expectations because of
contract and project delays and
said that it remained cautious
about 2009. The company said
that it had been unable to convert
its perpetual licence model to a sof-
tware-as-a-service model in ac-
cordance with its strategy.

Telecoms

Alcatel-Lucent: The world's big-
gest maker of fixed-line networks,
said it will cut 1,000 managerial
jobs and reduce its sub-contractors
by 5,000 as part of a plan to return
the company to profitability. The
cuts bring the total job losses at
the group to 22,500. #

Transport

Aer Lingus: Ryanair's €748 mil-
lion (£670 million) bid for Aer Lin-
gus looks increasingly unlikely to
succeed after it emerged that Aer
Lingus was seeking a white knight
and that the Irish Takeover Panel
had criticised elements of the bid.
Colm Barrington, the chairman of
Aer Lingus pleaded for another in-
vestor to keep the airline out of Ry-
anair's clutches. Page 71

BAA: A strike at Air France and
the demonstrations which closed
Bangkok's international airport
meant BAA's seven UK airports
handled one million fewer passen-
gers than in the same month last
year. The seven airports handled
just 9.8 million passengers during
the month — 8.9 per cent down on
November last year. BAA is
owned by Spanish construction
giant, Ferrovial. Page 71

Utilities

Sales tax : European Union
leaders deferred until March a de-
cision on whether to prolong re-
duced rates of sales tax on local ser-
vices. The European Commission
has proposed extending the sys-
tem, which is due to expire, in 2010
and which allows 18 EU states to
levy value-added tax rates below
the 15 per cent standard level on
services from bicycle and home re-
pairs to haircuts.

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